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LEGISLATIVE HISTORY

Public Law 579--81st Congress

Chapter 381--2d Session

H. R. 6567

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The Act increases by \$2 billion the borrowing authority of Commodity Credit Corporation, and amends section 22 of the Agricultural Adjustment Act so as to provide that USDA shall make the initial study and recommendation regarding the imposition of import fees or quotas on agricultural commodities when imports are interfering with domestic programs for those commodities. The bill also amends subsection (f) of section 22 to provide that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.



SUMMARY AND INDEX OF HISTORY ON H. R. 6567

- January 3, 1950 H. R. 6567 was introduced by Rep. Spence and was referred to the House Committee on Banking and Currency. Print of the bill as introduced.
- January 10, 1950 S. 2826 was introduced by Senator Thomas and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Companion bill).
- January 24, 1950 Hearings: Senate, S. 2826.
- March 1, 1950 Hearings: House, H. R. 6567.
- March 3, 1950 Print of an amendment proposed by Senator Magnuson to S. 2826.
- March 8, 1950 Senate Committee reported S. 2826 with amendments. Senate Report 1326. Print of the bill as reported.
- March 10, 1950 House Committee reported H. R. 6567 without amendment. House Report 1757. Print of the bill as reported.
- March 13, 1950 Senate recommitted S. 2826 to the Agriculture and Forestry Committee. Print of the bill as recommitted. Senate discussion of the bill.
- March 15, 1950 House Rules reported H. Res. 513 for the consideration of H. R. 6567. House Report 1783.
- March 23, 1950 House debated and passed H. R. 6567 without amendments. The following amendments were rejected:
- By Rep. Cole, by a 43-143 vote, requiring CCC to utilize the usual and customary channels of trade and commerce in handling agricultural commodities. pp. 4027-8, 4036-43.
- By Rep. Keating, by a 55-102 vote, to provide for an increase of only \$1 billion. pp. 4043-4.
- By Rep. Judd, by a 51-112 vote, to provide that CCC utilize the customary channels of trade in handling agricultural commodities whenever it can be done with equal efficiency and at no greater cost.
- By Rep. Heselton, by a 81-116 vote, to provide for the disposition by CCC of surplus foods to welfare agencies, with CCC paying handling and transportation costs equivalent to 6 months storage costs on such commodities. pp. 4020, 4030-2, 4045-6.
- By Rep. Moulder to require CCC to make prompt settlement in the purchase of agricultural commodities for elevators. pp. 4046-7.
- March 24, 1950 Print of H. R. 6567 as referred to the House Committee on Agriculture and Forestry.



March 30, 1950 Senate Committee reported H. R. 6567 with an amendment. Senate Report 1375. Print of the bill as reported.

April 13, 1950 Print of an amendment proposed by Senator Williams and others to H. R. 6567.

April 19, 1950 H. R. 6567 passed over in the Senate.

April 28, 1950 Print of an amendment proposed by Senator Williams and others to H. R. 6567.

June 5, 1950 Senate began debate on H. R. 6567. Discussed CAO audit report and record-keeping problems of CCC, also liquidation of CCC loans on corn.

June 6, 1950 Senate concluded debate and passed H. R. 6567 as reported by a vote of 46-5. The following amendments were rejected:

By Sen. Williams, by a vote of 18-50, to strike out increased borrowing authority and insert a provision repealing present 90% price supports in lieu of supports on a sliding scale. pp. 8247-50, 8274-6.

By Sen. Williams, by a vote of 21-36, to increase borrowing authority only \$1 billion. pp. 8286-7.

By Sen. Aiken, by a vote of 20-37, to authorize disposal of surplus commodities and paying of transportation costs to international organizations for relief. pp. 8276-36.

By Sen. Aiken, by a vote of 23-29, to require CCC to reserve a sufficient amount of borrowing authority to provide for increases to fulfill contingent liabilities and outstanding commitments. pp. 8287-9.

Discussion of accounting practices and excerpts from CAO reports. pp. 8289-31. Senate conferees appointed.

June 7, 1950 Additional Senate conferees appointed. House conferees appointed.

June 15, 1950 House received the Conference Report. House Report 2269.

June 20, 1950 House debated the conference report.

June 21, 1950 House agreed, 235-81, to the conference report.

June 23, 1950 Senate debated the conference report.

June 26, 1950 Senate agreed, 36-35, with the Vice President breaking a tie vote, to the conference report.

June 28, 1950 Approved. Public Law 579.









# H. R. 6567

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1950

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

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## A BILL

To increase the borrowing power of Commodity Credit Corporation.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 4 of the Act approved March 8, 1938 (52  
4       Stat. 108), as amended, is amended by striking out "\$4,750,-  
5       000,000" and inserting in lieu thereof "\$6,750,000,000".

6       SEC. 2. Section 4 (i) of the Commodity Credit Corpora-  
7       tion Charter Act (62 Stat. 1070) is amended by striking  
8       out "\$4,750,000,000" and inserting in lieu thereof  
9       "\$6,750,000,000".

81<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

H. R. 6567

## A BILL

To increase the borrowing power of Commodity  
Credit Corporation.

By Mr. SPENCE

JANUARY 3, 1950

Referred to the Committee on Banking and Currency





# S. 2826

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## IN THE SENATE OF THE UNITED STATES

JANUARY 10 (legislative day, JANUARY 4), 1950

Mr. THOMAS of Oklahoma introduced the following bill; which was read twice  
and referred to the Committee on Agriculture and Forestry

---

## A BILL

To increase the borrowing power of Commodity Credit  
Corporation.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 4 of the Act approved March 8, 1938 (52 Stat.  
4       108), as amended, is amended by striking out “\$4,750,000,-  
5       000” and inserting in lieu thereof “\$6,750,000,000”.

6       SEC. 2. Section 4 (i) of the Commodity Credit Corpo-  
7       ration Charter Act (62 Stat. 1070) is amended by striking  
8       out “\$4,750,000,000” and inserting in lieu thereof  
9       “\$6,750,000,000”.

A BILL

To increase the borrowing power of Commodity  
Credit Corporation.

By Mr. Thomas of Oklahoma

JANUARY 10 (legislative day, JANUARY 4), 1950  
Read twice and referred to the Committee on  
Agriculture and Forestry







# S. 2826

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## IN THE SENATE OF THE UNITED STATES

MARCH 3 (legislative day, FEBRUARY 22), 1950

Referred to the Committee on Agriculture and Forestry and ordered to be  
printed

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## AMENDMENT

Intended to be proposed by Mr. MAGNUSON (for himself and  
Mr. MORSE) to the bill (S. 2826) to increase the borrowing  
power of Commodity Credit Corporation, viz: Add the fol-  
lowing new subsection:

1        SEC. 3. Section 22 of the Agricultural Adjustment Act,  
2        as amended (U. S. C., title 7, sec. 624), is hereby amended  
3        to read as follows:

4        "SEC. 22. (a) Whenever the Secretary of Agriculture  
5        has reason to believe that any article or articles are being  
6        or are practically certain to be imported into the United  
7        States under such conditions and in such quantities as to  
8        render or tend to render ineffective, or materially interfere  
9        with, any program or operation undertaken under this title  
10       or the Soil Conservation and Domestic Allotment Act, as

1 amended, or section 32, Public Law Numbered 320,  
2 Seventy-fourth Congress, approved August 24, 1935, as  
3 amended, or any loan, purchase, or other program or opera-  
4 tion undertaken by the Department of Agriculture, or any  
5 agency operating under its direction, with respect to any  
6 agricultural commodity or product thereof, or to reduce sub-  
7 stantially the amount of any product thereof, or to reduce  
8 substantially the amount of any product processed in the  
9 United States from any agricultural commodity or product  
10 thereof with respect to which any such program or opera-  
11 tion is being undertaken, he shall cause, on his own motion  
12 or on the motion of interested producers or processors, an  
13 immediate investigation to be made by the appropriate office  
14 or agency of the United States Department of Agriculture  
15 responsible for the administration of the affected program,  
16 which shall give precedence to investigations under this sec-  
17 tion to determine such facts. Such investigation shall be  
18 made after due notice and opportunity for hearing to inter-  
19 ested parties, and shall be conducted subject to such regula-  
20 tions as the Secretary of Agriculture shall specify.

21       “(b) If, on the basis of such investigation and report to  
22 him of findings and recommendations made in connection  
23 therewith, the Secretary of Agriculture finds the existence  
24 of such facts, he shall certify to the President such facts and  
25 the President may by proclamation impose such fees not

1 in excess of 50 per centum ad valorem or such quantitative  
2 limitations on any article or articles which may be entered,  
3 or withdrawn from warehouse, for consumption as he finds  
4 and declares shown by such investigation to be necessary  
5 in order that the entry of such article or articles will not  
6 render or tend to render ineffective, or materially interfere  
7 with, any program or operation referred to in subsection (a),  
8 of this section, or reduce substantially the amount of any  
9 product processed in the United States from any such agri-  
10 cultural commodity or product thereof with respect to which  
11 any such program or operation is being undertaken: *Pro-*  
12 *vided*, That no proclamation under this section shall impose  
13 any limitation on the total quantity of any article or articles  
14 which may be entered, or withdrawn from warehouse, for  
15 consumption which reduces such permissible total quantity  
16 to proportionately less than 50 per centum of the total  
17 quantity of such article or articles which was entered, or  
18 withdrawn from warehouse, for consumption during a repre-  
19 sentative period as determined by the Secretary of Agri-  
20 culture: *And provided further*, That in designating any  
21 article or articles, the Secretary of Agriculture may describe  
22 them by physical qualities, value, use, or upon such other  
23 bases as he shall determine.

24 “(c) The fees and limitations imposed by the President  
25 by proclamation under this section and any revocation, sus-

1 pension, or modification thereof, shall become effective on  
2 such date as shall be therein specified, and such fees shall be  
3 treated for administrative purposes and for the purposes of  
4 section 32 of Public Law Numbered 320, Seventy-fourth  
5 Congress, approved August 24, 1935, as amended, as duties  
6 imposed by the Tariff Act of 1930, but such fees shall not  
7 be considered as duties for the purpose of granting any  
8 preferential concession under any international obligation  
9 of the United States.

10 “(d) After investigation, report, finding, and declara-  
11 tion in the manner provided in the case of a proclamation  
12 issued pursuant to subsection (b) of this section, any proc-  
13 lamation or provision of such proclamation may be suspended  
14 or terminated by the President whenever the Secretary of  
15 Agriculture finds and certifies to the President that the  
16 circumstances requiring the proclamation or provision thereof  
17 no longer exist or may be modified by the President when-  
18 ever the Secretary of Agriculture finds and certifies to the  
19 President that changed circumstances require such modifi-  
20 cation to carry out the purposes of this section.

21 “(e) Any decision, finding, or certification of facts and  
22 required fees or quantitative limitations of the Secretary of  
23 Agriculture under this section shall be final.

1       “(f) No international agreement hereafter shall be  
2 entered into by the United States, or renewed, extended or  
3 allowed to extend beyond its permissible termination date  
4 in contravention of this section.”



# S. 2826

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## AMENDMENT

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Intended to be proposed by Mr. Magnuson (for himself and Mr. Morse) to the bill (S. 2826) to increase the borrowing power of Commodity Credit Corporation.

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MARCH 3 (legislative day, FEBRUARY 22), 1950  
Referred to the Committee on Agriculture and Forestry  
and ordered to be printed







INCREASING THE BORROWING POWER OF THE  
COMMODITY CREDIT CORPORATION

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MARCH 8, 1950.—Ordered to be printed

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Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry, submitted the following

## REPORT

[To accompany S. 2826]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2826) to increase the borrowing power of the Commodity Credit Corporation, having considered the same, report thereon with the recommendation that it do pass with amendments.

## STATEMENT

The purpose of this bill is to make a change in the existing laws relating to the borrowing power of the Commodity Credit Corporation. The bill will increase the borrowing power of this Corporation in order that it may carry out more efficiently and more effectively the functions and duties imposed on it by the Congress.

Hearings have been conducted by your committee during this session of the Congress. As developed in the hearings, it will be necessary to have this additional borrowing authority of \$2,000,000,000 for the completion of the support program for the 1949-50 commodities, and to announce and carry out the contemplated support program for the 1950-51 nonbasic commodities. Also, it will give the Commodity Credit Corporation sufficient reserve in which to carry out its contemplated 1950-51 support programs.

## CONCLUSION

In the opinion of your committee the absence of this increased borrowing authority of \$2,000,000,000 would seriously hinder the operations of the Commodity Credit Corporation, in connection with the support programs, and your committee urges the enactment of this legislation at the earliest possible date.

A copy of a letter from Secretary Charles F. Brannan, dated March 1, 1950, setting forth the need for prompt action on this bill is attached hereto and made a part of said report.

MARCH 1, 1950.

HON. ELMER THOMAS,

*Chairman, Senate Agriculture and Forestry Committee.*

DEAR SENATOR THOMAS: This is in response to your request for the views of the Department concerning the necessity of prompt action on S. 2826, a bill to increase the borrowing authority of the Commodity Credit Corporation by \$2,000,000,000.

The situation has not changed materially since I appeared before your committee on Tuesday, January 24, except that we are a month closer to the time when 1950 crop price-support programs must be finally formulated and announced. It is estimated that sufficient borrowing authority is available to meet all requirements of the Corporation on the 1949 price-support programs.

As of December 31 the total obligations of the Commodity Credit Corporation were \$3,896,000,000. It is expected that the obligations will increase, during the first half of this calendar year, to a maximum of over \$4,300,000,000.

As was pointed out to your committee, it is extremely difficult to predict the total funds needed to support the 1950 crops which have not yet been planted. This difficulty arises from a number of factors but principally from the impossibility of predicting the weather throughout the growing and harvesting season, the acreage which will be planted, and the domestic and foreign demand as much as a year or 18 months in advance.

However, based upon the assumption of normal weather, high national income, relatively strong foreign demand, and other factors, we have estimated that the borrowing authority in use during the next fiscal year will reach a peak of \$5,300,000,000. However, the Department pointed out that, based solely on an increase of 15 percent over our estimates in the yields of cotton, corn, and wheat alone, our total needs might reach \$6,300,000,000. I further pointed out that the Corporation needs a reserve in borrowing authority at all times over and above the amount actually in use. Ample borrowing authority for the Corporation is in itself a stabilizing influence. Actual borrowings are made on a day-to-day basis and will be limited to actual requirements of the Corporation under the provisions of the Agricultural Act of 1949 and the economic and other conditions which prevail in this country.

Sincerely,

CHARLES F. BRANNAN, *Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### ACT OF MARCH 8, 1938, AS AMENDED

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding ~~[\$4,750,000,000]~~ *\$6,750,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable

to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

#### COMMODITY CREDIT CORPORATION CHARTER ACT

##### SEC. 4. GENERAL POWERS.—The Corporation \* \* \*

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate ~~[\$4,750,000,000]~~ *\$6,750,000,000*. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

SEC. 5. SPECIFIC POWERS.—In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C. 1940 edition, Supp. V, 841), the Corporation is authorized to use its general powers only to—

(a) Support the prices of agricultural commodities through loans, purchases, payments, and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other Government agencies, foreign governments, and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities.

(g) Carry out such other operations as the Congress may specifically authorize or provide for.

**[In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.]**

*In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the acquisition, ware-*



*housing, transporting, processing, or handling of agricultural commodities, the Corporation shall employ the services of dealers, commission merchants and the other usual and customary channels, facilities, and arrangements of trade and commerce.*

AGRICULTURAL ADJUSTMENT ACT OF MAY 12, 1933, AS AMENDED

【SEC. 22. (a) Whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

【(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

【(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

【(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

【(e) Any decision of the President as to facts under this section shall be final.

【(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.】

*SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935,*

as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause, on his own motion or on the motion of interested producers or processors, an immediate investigation to be made by the appropriate office or agency of the United States Department of Agriculture responsible for the administration of the affected program, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Secretary of Agriculture shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts and the President may by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: Provided, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture: And provided further, That in designating any article or articles, the Secretary of Agriculture may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

(e) Any decision, finding, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final.

(f) No international agreement hereafter shall be entered into by the United States, or renewed, extended or allowed to extend beyond its permissible termination date in contravention of this section.



Calendar No. 1334

81<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2826**

[Report No. 1326]

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IN THE SENATE OF THE UNITED STATES

JANUARY 10 (legislative day, JANUARY 4), 1950

Mr. THOMAS of Oklahoma introduced the following bill; which was read twice  
and referred to the Committee on Agriculture and Forestry

MARCH 8, 1950

Reported by Mr. THOMAS of Oklahoma, with amendments

[Insert the part printed in italic]

---

**A BILL**

To increase the borrowing power of Commodity Credit  
Corporation.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That section 4 of the Act approved March 8, 1938 (52 Stat.  
4     108), as amended, is amended by striking out “\$4,750,000,-  
5     000” and inserting in lieu thereof “\$6,750,000,000”.

6     SEC. 2. Section 4 (i) of the Commodity Credit Corpo-  
7     ration Charter Act (62 Stat. 1070) is amended by striking  
8     out “\$4,750,000,000” and inserting in lieu thereof  
9     “\$6,750,000,000”.

10     *SEC. 3. The last paragraph of section 5 of the Com-*



1 *modity Credit Corporation Charter Act (Public Law 806)*  
2 *is hereby amended to read as follows:*

3       *“In the Corporation’s purchasing and selling operations*  
4 *with respect to agricultural commodities (except sales to other*  
5 *Government agencies), and in the acquisition, warehousing,*  
6 *transporting, processing, or handling of agricultural com-*  
7 *modities, the Corporation shall employ the services of dealers,*  
8 *commission merchants, and the other usual and customary*  
9 *channels, facilities, and arrangements of trade and*  
10 *commerce.”*

11       *SEC. 4. Section 22 of the Agricultural Adjustment Act,*  
12 *as amended (U. S. C., title 7, sec. 624), is hereby amended*  
13 *to read as follows:*

14       *“SEC. 22. (a) Whenever the Secretary of Agriculture*  
15 *has reason to believe that any article or articles are being*  
16 *or are practically certain to be imported into the United*  
17 *States under such conditions and in such quantities as to*  
18 *render or tend to render ineffective, or materially interfere*  
19 *with, any program or operation undertaken under this title*  
20 *or the Soil Conservation and Domestic Allotment Act, as*  
21 *amended, or section 32, Public Law Numbered 320,*  
22 *Seventy-fourth Congress, approved August 24, 1935, as*  
23 *amended, or any loan, purchase, or other program or opera-*  
24 *tion undertaken by the Department of Agriculture, or any*  
25 *agency operating under its direction, with respect to any*



1 agricultural commodity or product thereof, or to reduce  
2 substantially the amount of any product thereof, or to reduce  
3 substantially the amount of any product processed in the  
4 United States from any agricultural commodity or product  
5 thereof with respect to which any such program or opera-  
6 tion is being undertaken, he shall cause, on his own motion  
7 or on the motion of interested producers or processors, an  
8 immediate investigation to be made by the appropriate office  
9 or agency of the United States Department of Agriculture  
10 responsible for the administration of the affected program,  
11 which shall give precedence to investigations under this sec-  
12 tion to determine such facts. Such investigation shall be  
13 made after due notice and opportunity for hearing to inter-  
14 ested parties, and shall be conducted subject to such regula-  
15 tions as the Secretary of Agriculture shall specify.

16 “(b) If, on the basis of such investigation and report to  
17 him of findings and recommendations made in connection  
18 therewith, the Secretary of Agriculture finds the existence  
19 of such facts, he shall certify to the President such facts and  
20 the President may by proclamation impose such fees not  
21 in excess of 50 per centum ad valorem or such quantitative  
22 limitations on any article or articles which may be entered,  
23 or withdrawn from warehouse, for consumption as he finds  
24 and declares shown by such investigation to be necessary  
25 in order that the entry of such article or articles will not

1 render or tend to render ineffective, or materially interfere  
2 with, any program or operation referred to in subsection (a),  
3 of this section, or reduce substantially the amount of any  
4 product processed in the United States from any such agri-  
5 cultural commodity or product thereof with respect to which  
6 any such program or operation is being undertaken: Pro-  
7 vided, That no proclamation under this section shall impose  
8 any limitation on the total quantity of any article or articles  
9 which may be entered, or withdrawn from warehouse, for  
10 consumption which reduces such permissible total quantity  
11 to proportionately less than 50 per centum of the total  
12 quantity of such article or articles which was entered, or  
13 withdrawn from warehouse, for consumption during a repre-  
14 sentative period as determined by the Secretary of Agri-  
15 culture: And provided further, That in designating any  
16 article or articles, the Secretary of Agriculture may describe  
17 them by physical qualities, value, use, or upon such other  
18 bases as he shall determine.

19       “(c) The fees and limitations imposed by the President  
20 by proclamation under this section and any revocation, sus-  
21 pension, or modification thereof, shall become effective on  
22 such date as shall be therein specified, and such fees shall be  
23 treated for administrative purposes and for the purposes of  
24 section 32 of Public Law Numbered 320, Seventy-fourth  
25 Congress, approved August 24, 1935, as amended, as duties

1 *imposed by the Tariff Act of 1930, but such fees shall not*  
2 *be considered as duties for the purpose of granting any*  
3 *preferential concession under any international obligation*  
4 *of the United States.*

5       “(d) *After investigation, report, finding, and declara-*  
6 *tion in the manner provided in the case of a proclamation*  
7 *issued pursuant to subsection (b) of this section, any proc-*  
8 *lamation or provision of such proclamation may be suspended*  
9 *or terminated by the President whenever the Secretary of*  
10 *Agriculture finds and certifies to the President that the*  
11 *circumstances requiring the proclamation or provision thereof*  
12 *no longer exist or may be modified by the President when-*  
13 *ever the Secretary of Agriculture finds and certifies to the*  
14 *President that changed circumstances require such modifi-*  
15 *cation to carry out the purposes of this section.*

16       “(e) *Any decision, finding, or certification of facts and*  
17 *required fees or quantitative limitations of the Secretary of*  
18 *Agriculture under this section shall be final.*

19       “(f) *No international agreement hereafter shall be*  
20 *entered into by the United States, or renewed, extended or*  
21 *allowed to extend beyond its permissible termination date*  
22 *in contravention of this section.”*

81<sup>ST</sup> CONGRESS  
2<sup>D</sup> Session

**S. 2826**

[Report No. 1326]

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**A BILL**

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To increase the borrowing power of Commodity  
Credit Corporation.

---

By Mr. THOMAS of Oklahoma

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JANUARY 10 (legislative day, JANUARY 4), 1950

Read twice and referred to the Committee on  
Agriculture and Forestry

MARCH 8, 1950

Reported with amendments







## INCREASING THE BORROWING POWER OF COMMODITY CREDIT CORPORATION

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MARCH 10, 1950.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

### R E P O R T

[To accompany H. R. 6567]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### GENERAL STATEMENT

The Commodity Credit Corporation (hereinafter referred to as the "Corporation") was organized October 17, 1933, under the laws of the State of Delaware. Successive legislation had continued the Corporation under its Delaware charter as an agency of the United States until June 30, 1948. Under the President's Reorganization Plan No. 1 of 1940 and the President's Reorganization Plan No. 3 of 1946 the Corporation was made a part of the United States Department of Agriculture and the Secretary of Agriculture was given the responsibility of general direction, supervision, and administration of its operations. The Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.), effective July 1, 1948, established the Corporation as an agency of the United States under a permanent Federal charter. Section 2 of the Commodity Credit Corporation Charter Act states that the Corporation is created for the purpose of stabilizing, supporting, and protecting farm income and prices, assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds and fibers, and of facilitating the orderly distribution of agricultural commodities.

Since the inception of the Corporation through January 31, 1950, the Corporation's net realized loss with respect to price-support

operations amounted to \$483,214,626. On the other major operations which the Corporation performed, the supply program resulted in a net income of \$302,891,522; the foreign-purchase program a net income of \$50,239,551; the commodity-export program a net loss of \$13,745,632; and other operations including the grain-bin program, a net loss of \$10,710,041. Thus the net result of the Corporation's activities on January 31, 1950, excluding the wartime consumer-subsidy costs, amounted to a realized deficit of \$154,539,226. Averaged over the 17-year life of the Corporation the net loss amounted to only \$9,000,000 per year.

#### PURPOSE OF THE BILL

The bill would increase the borrowing authority of the Corporation an additional \$2,000,000,000. The borrowing authority of the Corporation at the present time is \$4,750,000,000. The present ceiling on the Corporation's borrowing authority was set in 1945. Since that time the prices of farm commodities, as is true of the prices of most commodities, has increased. As of January 31, 1950, the total investment of the Corporation arising from its price-support activities aggregated \$3,947,423,790. Of this total investment, \$2,204,022,898 represented investments in loans and included loans held by the Corporation, loans held by lending agencies under obligations to purchase, and loans approved but not fully processed. Investment in inventories represented \$1,743,400,892 at their cost value. Of the total investment in both loans and inventories over 2.9 billion dollars represents investments in three commodities—namely, cotton, corn, and wheat. The remaining \$1,000,000,000 is invested primarily in flaxseed, linseed oil, dried eggs, wool, butter, tobacco, dried milk, barley, and other small grains.

The present inventories of storable commodities may be looked upon as national reserves against domestic shortages or to meet international emergencies. Over a long period these inventories will probably be effectively utilized without substantial cost to the taxpayer. Such has been the experience of the Corporation. It has been true, however, that support of some perishable commodities such as potatoes and eggs has been expensive.

It is expected that the Corporation will have in use this spring a total of over 4.3 billion dollars primarily in the support of 1949 and prior crops. It is estimated that recoveries may reduce the amount in use to about 3.9 billion dollars by the end of the fiscal year. The balance of the statutory borrowing authority available and estimated receipts from sale of inventories, repayments of loans, and other recoveries subsequent to July 1, 1951, are not sufficient to permit the Corporation to meet its price-support obligations on the 1950 crops. The most recent estimate which the Corporation has made as to the maximum amount needed for price support through the fiscal year 1951 amounts to 5.3 billion dollars. It is necessary to bear in mind that this estimate deals with 1950 crops which have not yet been planted and a variation in any one of several factors will result in changes in fund needs just as the increase of one-half million bales in the revised 1949 cotton crop estimate substantially increased estimated requirements of the Corporation. Variation in estimated fund requirements can be well illustrated by reference to the effect of changes in yields of cotton, wheat, and corn. The estimates for fund needs

for the 1950-crop corn were based on an estimated yield of 38.5 bushels per acre. Should the yield actually equal the 1948 yield of 42.8 bushels, additional funds required by the Corporation to support this crop would amount to about \$400,000,000. The 1950-crop wheat requirements were based on a 5-year average yield of 16.5 bushels per acre. Should the yield equal the 1947 yield of 18.5 bushels per acre, an additional \$300,000,000 would be required in supporting the price of wheat. The 1950-crop cotton estimated requirements were based on a yield of 270 pounds per acre. Should this yield turn out to equal the 1948 yield of 313 pounds per acre, the Corporation would need \$260,000,000 more in its support operations for the cotton crop. Thus, it can be seen that solely on the basis of possible changes in yields for these three commodities alone, the Corporation could require almost \$1,000,000,000 more during the next year than the presently estimated 5.3-billion-dollar requirement.

If less funds are required for support of 1950 crops than for 1948 and 1949 crops, the Corporation, under the terms of the bill, would have some unused authorized borrowing authority. It is desirable that the Corporation have borrowing authority in excess of immediate foreseeable needs. Ample borrowing authority is in itself a stabilizing influence. It gives farmers, lending agencies, the trade, and the economy in general, assurance that the Corporation can and will fulfill its obligations under varying circumstances. It may well result in less use of the borrowing authority than would be the case if doubt arose as to whether or not the Corporation had adequate authority, as the latter could lead to a "run" on the actual borrowing authority provided.

In considering an increase in authorized borrowing authority for the Corporation it is important to bear in mind that the increase in authorization does not in itself mean increased use of the authority. The borrowing authority will only be used to the actual extent needed to carry out agricultural price-support operations in accordance with the policies laid down by the Congress. No harm can come from unused authorized borrowing authority but an inadequate authorization of borrowing authority could have a tragic impact on the entire price-support program as well as on our whole economy. It should also be borne in mind that funds invested in commodity loans and inventories do not, in themselves, constitute a loss to the taxpayer. The actual cost, if any, to the taxpayer is determined only upon disposition of the commodities acquired.

The attention of the committee was called to the existing arrangements between the Corporation and lending agencies with respect to the division of the interest charged on price-support loans as not being sufficient to cover the costs incurred by some lending agencies in servicing the loans. The Corporation enters into lending agency agreements, usually with banks, in which the Corporation obligates itself to purchase such loans from the lending agencies at any time on demand or at maturity, and to pay interest to the lending agency at the rate of 1½ percent per annum. In the event the producer desires to redeem his loan before or at maturity, he is charged interest at the rate of 3 percent per annum, 1½ percent being retained by the lending agency and 1½ percent remitted to the Corporation. If the producer does not redeem his loan he pays no interest, but the Corporation under its agreement with the lending agency pays the lending agency



interest at the rate of  $1\frac{1}{2}$  percent per annum. In effect all of such loans are demand obligations which can be sold to the Corporation at any time. Under an arrangement worked out for the first time in connection with the 1949 crops in order to permit lending agencies to make and hold all Corporation loans originating in the community, even though the demands for such loans might exceed the available funds, lending agencies may obtain immediate reimbursement of their funds from the Corporation and service the loan for the Corporation on a fee basis.

The committee is of the opinion at this time that the division of the interest revenue on such loans is not generally inadequate to compensate the lending agencies for their services in view of the volume of such loans and the demand character of the obligation. However, it is possible that smaller banks participating in this program may be handling such loans at a loss and the committee believes that the Corporation should investigate this situation and if such is the case work out a solution so that such banks or other lending agencies may receive an adequate return for the services performed.

Testimony was presented to the committee during its hearings by representatives of the grain trade that the Corporation bypasses the services of subterminal and terminal representatives in connection with the shipment of grain from country elevators. It was contended that because the Corporation did not use the services of the trade that shipments from country elevators to subterminal and terminal storage were not being handled in a satisfactory manner, and resulted in unnecessary and long delays in receipt of weight and grade certificates, filing claims, effecting final settlements and completing the transactions. These complaints were directed primarily at the movement of Corporation-owned grain, for in other cases country shippers are free to avail themselves of the services of the trade.

Your committee is of the opinion that the Corporation should fully investigate and make a complete study of this matter, and explore all of the possibilities of using the private trade in connection with these subterminal and terminal movements. If it is found, as claimed, that such operations can be performed more economically and expeditiously than by present methods, the Corporation should work out an arrangement with the private trade to handle these operations on a fee or other basis.

The committee was disturbed by the large payments made in some cases to individuals under the price-support program. Testimony presented to the committee during its hearings showed that some individuals were receiving as much as \$500,000 in price-support payments on one crop, particularly with respect to potatoes. Such large payments to individuals are not in keeping with the objective of the price-support program and may well be detrimental to the program as a whole. This is particularly true in those cases in which large surpluses exist. In view of the vital necessity of increasing the borrowing authority of the Corporation at the earliest possible time so that the Department of Agriculture may announce its 1950 crop programs, it was the considered judgment of your committee that this bill should not be delayed until such time as the committee could study all of the phases and ramifications of this problem. Moreover, at this time a conference committee of both Houses is meeting upon a bill which it is hoped may result in a solution to this very problem. It is

the purpose of the committee to follow up this problem of exceptionally high payments to individuals to the end that a solution may be reached which will be compatible with the purposes of the price-support program.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics existing law in which no change is proposed is shown in roman):

ACT OF MARCH 8, 1938, AS AMENDED

\* \* \* \* \*


SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding **[\$4,750,000,000]** *\$6,750,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In any event, that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

\* \* \* \* \*

## 6 BORROWING POWER OF COMMODITY CREDIT CORPORATION

### COMMODITY CREDIT CORPORATION CHARTER ACT

*	*	*	*	*	*	*
SEC. 4. GENERAL POWERS.—The Corporation				*	*	*
*	*	*	*	*	*	*

 (i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate **[\$4,750,000,000]** *\$6,750,000,000*. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's program.



## ADDITIONAL VIEWS

The purpose of these additional views is not to express any opposition to the increase in the borrowing powers of the Commodity Credit Corporation for which this bill provides.

The announced policy of the Congress and the Corporation is that the normal facilities for handling and distributing agricultural commodities shall not be supplanted.

In title II of the Research and Marketing Act of 1946, the Seventy-ninth Congress declared its policy to be as follows:

A sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation.

Subsequently, in 1948, in the act (Public Law 806, 80th Cong.) to provide a charter for the Commodity Credit Corporation this policy was reaffirmed and provision was made for its implementation. In section 5 of that act it was expressly provided that the Corporation—

\* \* \* shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

Again in the 1949 amendment (Public Law 85, 81st Cong.), to the Charter Act, the same policy was expressly reaffirmed. In connection with the power given the Corporation to acquire personal and real property, it was specially provided—

That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities and arrangements of trade and commerce in the warehousing of commodities \* \* \*.

Secretary Brannan was asked in the hearings: "Do I understand the Department has taken the position that the Department does not want in any respect to either compete with or supplant the private industry in the grain storage business?"

His answer: "That is entirely correct."

Regional meetings in all areas are being set up for Government and trade representatives to discuss area needs. It is hoped this step is one of many to carry out the requirements of the Corporation charter.

In the hearings convincing evidence was presented, however, that in its administration of the price-support programs the Commodity Credit Corporation has, on many occasions, disregarded the congressional intent and ignored the congressional directives. It has bypassed, instead of utilizing, the usual and customary facilities of trade and commerce with adverse results. This policy of the Corporation is dangerously destructive of the existing normal mechanism for handling and marketing agricultural commodities and tends to substitute a Government bureau with all of the attendant dangers of



progressive nationalization. In addition, as is always the case with a Government assumption of an activity normally privately conducted, the activities of the Commodity Credit Corporation in encroaching into this field are inevitably more costly, although no figures could be obtained by the committee from the Department of Agriculture or the Commodity Credit Corporation. There are, in addition, other undesirable results.

Typical complaints made to the committee in the course of the hearings include the following:

(a) That the Commodity Credit Corporation is chronically delinquent in providing advice to country shippers as to the grade and out-turn weight of grain and in making settlements, thereby creating acute financial problems for the shippers. This situation stands in sharp contrast with the admittedly prompt and efficient handling which is provided by the usual private channels and facilities.

(b) The policy of concentrating temporary steel storage bins at limited and sometimes remote points is so disruptive and diversionary of the normal flow of grains as to work hardship on country elevator operators and endanger their continued existence and operation.

(c) The Corporation's persistent bypassing of the normal channels of trade in agricultural commodities has created confusion and special problems in the handling and marketing of such commodities, and there is a real and growing damage to the survival of the present system of distribution and handling.

In view of the repeated and emphatic reaffirmations of its policy on this subject, Congress should no longer countenance abuses referred to in the hearings or other practices by which the Commodity Credit Corporation continues to circumvent the congressional intent. In the opinion of the undersigned members of the committee the situation should be clarified by a special provision to be added to the bill, similar to the amendment added to the companion bill by the Senate Committee on Agriculture and Forestry. This amendment would add to the bill a new section to be numbered "Sec. 2" and to read as follows:

SEC. 2. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806) is hereby amended to read as follows: "In the purchasing and selling operations of the Corporation with respect to agricultural commodities (except sales to other Government agencies), and in the acquisition, warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall employ the services of dealers, commission merchants, and other usual and customary channels, facilities, and arrangements of trade and commerce."

This amendment embodies, to a substantial extent, the language of the three enactments above cited. The amendment is not intended to and will not have any effect on the Corporation's authority, as provided by section 4 of this act, to acquire and operate storage facilities. Its sole purpose is to clarify and implement further the duty of the Commodity Credit Corporation to utilize the existing farmers' cooperatives and private channels and facilities in the handling of agricultural commodities and to avoid the creation of expensive duplicating and competing Government facilities for the same purpose.

The policy of the Congress has been repeatedly declared in unmistakable language. Whether through misunderstanding or otherwise, CCC has continued practices which clearly violate the policy. It is

necessary, therefore, by amendment of the Charter Act, to direct the specific action to be taken by CCC in carrying out the congressional purpose. The language of the amendment has been written to conform with this objective.

The amendment would not require CCC to use agencies of the agricultural trades in all its operations. It would require the Corporation to use such agencies where they exist and can perform services essential to the Corporation's activities, instead of setting up duplicating facilities to perform identical services. CCC was not designed to be a substitute for the established means of distributing agricultural commodities. Its functions should be so performed as to preserve, rather than to destroy, the established system of marketing such commodities.

Thoughtful study of the suggested amendment by every Member of the House is urgently requested to the end that it be adopted when the bill is considered by the House.

JESSE P. WOLCOTT.

HENRY O. TALLE.

ROLLA C. McMILLEN.

CLARENCE E. KILBURN.

ALBERT M. COLE.

DONALD W. NICHOLSON.





Union Calendar No. 683

51ST CONGRESS  
2D SESSION

**H. R. 6567**

[Report No. 1757]

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1950

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

MARCH 10, 1950

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

**A BILL**

To increase the borrowing power of Commodity Credit Corporation.

- 1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 4 of the Act approved March 8, 1938 (52  
4       Stat. 108), as amended, is amended by striking out “\$4,750,-  
5       000,000” and inserting in lieu thereof “\$6,750,000,000”.  
6       SEC. 2. Section 4 (i) of the Commodity Credit Corpora-  
7       tion Charter Act (62 Stat. 1070) is amended by striking  
8       out “\$4,750,000,000” and inserting in lieu thereof  
9       “\$6,750,000,000”.

81<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 6567**

[Report No. 1757]

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# **A BILL**

To increase the borrowing power of Commodity  
Credit Corporation.

---

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By Mr. SPENCE

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JANUARY 3, 1950

Referred to the Committee on Banking and Currency

MARCH 10, 1950

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed







# S. 2826

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## IN THE SENATE OF THE UNITED STATES

JANUARY 10 (legislative day, JANUARY 4), 1950

Mr. THOMAS of Oklahoma introduced the following bill; which was read twice  
and referred to the Committee on Agriculture and Forestry

MARCH 8, 1950

Reported by Mr. THOMAS of Oklahoma, with amendments

[Insert the part printed in italic]

MARCH 13 (legislative day, MARCH 8), 1950

Recommitted to the Committee on Agriculture and Forestry

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## A BILL

To increase the borrowing power of Commodity Credit  
Corporation.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 4 of the Act approved March 8, 1938 (52 Stat.  
4       108), as amended, is amended by striking out “\$4,750,000,-  
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8       out “\$4,750,000,000” and inserting in lieu thereof  
9       “\$6,750,000,000”.

10       SEC. 3. *The last paragraph of section 5 of the Com-*

1    *modity Credit Corporation Charter Act (Public Law 806)*  
2    *is hereby amended to read as follows:*

3            *“In the Corporation’s purchasing and selling operations*  
4    *with respect to agricultural commodities (except sales to other*  
5    *Government agencies), and in the acquisition, warehousing,*  
6    *transporting, processing, or handling of agricultural com-*  
7    *modities, the Corporation shall employ the services of dealers,*  
8    *commission merchants, and the other usual and customary*  
9    *channels, facilities, and arrangements of trade and*  
10   *commerce.”*

11           *SEC. 4. Section 22 of the Agricultural Adjustment Act,*  
12   *as amended (U. S. C., title 7, sec. 624), is hereby amended*  
13   *to read as follows:*

14           *“SEC. 22. (a) Whenever the Secretary of Agriculture*  
15   *has reason to believe that any article or articles are being*  
16   *or are practically certain to be imported into the United*  
17   *States under such conditions and in such quantities as to*  
18   *render or tend to render ineffective, or materially interfere*  
19   *with, any program or operation undertaken under this title*  
20   *or the Soil Conservation and Domestic Allotment Act, as*  
21   *amended, or section 32, Public Law Numbered 320,*  
22   *Seventy-fourth Congress, approved August 24, 1935, as*  
23   *amended, or any loan, purchase, or other program or opera-*  
24   *tion undertaken by the Department of Agriculture, or any*  
25   *agency operating under its direction, with respect to any*

1 agricultural commodity or product thereof, or to reduce  
2 substantially the amount of any product thereof, or to reduce  
3 substantially the amount of any product processed in the  
4 United States from any agricultural commodity or product  
5 thereof with respect to which any such program or opera-  
6 tion is being undertaken, he shall cause, on his own motion  
7 or on the motion of interested producers or processors, an  
8 immediate investigation to be made by the appropriate office  
9 or agency of the United States Department of Agriculture  
10 responsible for the administration of the affected program,  
11 which shall give precedence to investigations under this sec-  
12 tion to determine such facts. Such investigation shall be  
13 made after due notice and opportunity for hearing to inter-  
14 ested parties, and shall be conducted subject to such regula-  
15 tions as the Secretary of Agriculture shall specify.

16       “(b) If, on the basis of such investigation and report to  
17 him of findings and recommendations made in connection  
18 therewith, the Secretary of Agriculture finds the existence  
19 of such facts, he shall certify to the President such facts and  
20 the President may by proclamation impose such fees not  
21 in excess of 50 per centum ad valorem or such quantitative  
22 limitations on any article or articles which may be entered,  
23 or withdrawn from warehouse, for consumption as he finds  
24 and declares shown by such investigation to be necessary  
25 in order that the entry of such article or articles will not



1 render or tend to render ineffective, or materially interfere  
2 with, any program or operation referred to in subsection (a),  
3 of this section, or reduce substantially the amount of any  
4 product processed in the United States from any such agri-  
5 cultural commodity or product thereof with respect to which  
6 any such program or operation is being undertaken: Pro-  
7 vided, That no proclamation under this section shall impose  
8 any limitation on the total quantity of any article or articles  
9 which may be entered, or withdrawn from warehouse, for  
10 consumption which reduces such permissible total quantity  
11 to proportionately less than 50 per centum of the total  
12 quantity of such article or articles which was entered, or  
13 withdrawn from warehouse, for consumption during a repre-  
14 sentative period as determined by the Secretary of Agri-  
15 culture: And provided further, That in designating any  
16 article or articles, the Secretary of Agriculture may describe  
17 them by physical qualities, value, use, or upon such other  
18 bases as he shall determine.

19       “(c) The fees and limitations imposed by the President  
20 by proclamation under this section and any revocation, sus-  
21 pension, or modification thereof, shall become effective on  
22 such date as shall be therein specified, and such fees shall be  
23 treated for administrative purposes and for the purposes of  
24 section 32 of Public Law Numbered 320, Seventy-fourth  
25 Congress, approved August 24, 1935, as amended, as duties

1 *imposed by the Tariff Act of 1930, but such fees shall not*  
2 *be considered as duties for the purpose of granting any*  
3 *preferential concession under any international obligation*  
4 *of the United States.*

5       “(d) After investigation, report, finding, and declara-  
6 tion in the manner provided in the case of a proclamation  
7 issued pursuant to subsection (b) of this section, any proc-  
8 lamation or provision of such proclamation may be suspended  
9 or terminated by the President whenever the Secretary of  
10 Agriculture finds and certifies to the President that the  
11 circumstances requiring the proclamation or provision thereof  
12 no longer exist or may be modified by the President when-  
13 ever the Secretary of Agriculture finds and certifies to the  
14 President that changed circumstances require such modifi-  
15 cation to carry out the purposes of this section.

16       “(e) Any decision, finding, or certification of facts and  
17 required fees or quantitative limitations of the Secretary of  
18 Agriculture under this section shall be final.

19       “(f) No international agreement hereafter shall be  
20 entered into by the United States, or renewed, extended or  
21 allowed to extend beyond its permissible termination date  
22 in contravention of this section.”

# A BILL

To increase the borrowing power of Commodity  
Credit Corporation.

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By Mr. Thomas of Oklahoma

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JANUARY 10 (legislative day, JANUARY 4), 1950  
Read twice and referred to the Committee on  
Agriculture and Forestry

MARCH 8, 1950

Reported with amendments

MARCH 13 (legislative day, MARCH 8), 1950  
Recommitted to the Committee on Agriculture and  
Forestry



Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

MOUNT SURIBACHI POST, No. 1346,  
VETERANS OF FOREIGN WARS  
OF THE UNITED STATES,  
Hastings, Nebr.

Senator HUGH BUTLER,  
United States Senator,  
Washington, D. C.

DEAR SIR: Mount Suribachi Post, No. 1346, Veterans of Foreign Wars, of the United States, Hastings, Nebr., which is in receipt of over 600 members, at their last regular post meeting held March 2, 1950, have entered in the minutes of their regular meeting the following resolution:

"Be it resolved, That the Mount Suribachi Post, No. 1346, Veterans of Foreign Wars of the United States, Hastings, Nebr., does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control."

Any consideration given this matter will be greatly appreciated by each and every member of this post.

Very truly yours,

PAUL C. NEWMAN,  
Adjutant.

Whereas the American family has received the finest quality of medical care available in any country in any country in the world, developed under our system of free enterprise; and

Whereas compulsory health insurance, wherever tried, has caused a decline in national health and deterioration of medical standards, and facilities, to the detriment of family welfare; and

Whereas compulsory health insurance, wherever tried, has taken away the family's right to choosing its own family physician; and

Whereas invasion of family privacy and violation of the sanctity of the patient-physician relationship have proved to be one of the most objectionable features of compulsory health insurance, wherever tried; and

Whereas compulsory health insurance would result immediately in a tax of 3 percent on the income of the American working man, rising within a few years to 6 percent and higher, creating a new tax burden which would reduce household budgets and bring down family standards of living; and

Whereas government control of medical services, by gradually undermining free enterprise and establishing heavy new tax burdens and unprecedented national deficits, would threaten national bankruptcy and encourage the spread of socialism, which would endanger the rights of our children to the individual freedoms which have been the American heritage; Now, therefore, be it

Resolved, That the Tilden Womans Club does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our district, and that said Senators and Representative to and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

Mrs. WILLIAM DALES,  
President.  
HELEN IRENE WEGMAN,  
Secretary.

Tilden, Nebr., dated this 7th day of March 1950.

Whereas the American veteran in two world wars has defended the American free-enterprise system, which has made possible the development in this country of the highest standards of medical care and the finest medical institutions attained by any major country in the world; and

Whereas having experienced the shortcomings of impersonal, assembly-line medical care inherent in the form of Government-controlled medicine necessary in time of war, the veteran understands the dangers of imposing such a system permanently on the entire population; and

Whereas compulsory health insurance would impose an unjust tax on the veteran's pay check for medical care to which he is now entitled free of charge as a reward for his service to his country; and

Whereas compulsory health insurance would force a tax of 3 percent on the income of the employed veteran, rising to a tax of at least 6 percent within a few years, creating new financial burdens which would increase the costs of necessities of life and lower the standard of living for veterans and other citizens; Now, therefore, be it

Resolved, That the American Legion Auxiliary does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our district, and that said Senators and Representatives be, and are hereby, respectfully requested to use every effort at their command to prevent the enactment of such legislation.

AMERICAN LEGION AUXILIARY, No. 122,  
Dodge, Nebr., dated this March 8, 1950.

AMERICAN LEGION AUXILIARY,  
HARRY BOSSARD UNIT No. 32,  
Papillion, Nebr., March 9, 1950.

Whereas the American veteran in two world wars has defended the American free enterprise system, which has made possible the development in this country of the highest standards of medical care and the finest medical institutions attained by any major country in the world; and

Whereas having experienced the shortcomings of impersonal, assembly-line medical care inherent in the form of Government-controlled medicine necessary in time of war, the veteran understands the dangers of imposing such a system permanently on the entire population; and

Whereas compulsory health insurance would impose an unjust tax on the veteran's pay check for medical care to which he is now entitled free of charge as a reward for his service to his country; and

Whereas compulsory health insurance would force a tax of 3 percent on the income of the employed veteran, rising to a tax of at least 6 percent within a few years, creating new financial burdens which would increase the costs of necessities of life and lower the standard of living for veterans and other citizens; Now, therefore be it

Resolved, That Harry Bossard Unit, No. 32, American Legion Auxiliary, does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to each Senator from the State of Nebraska, and the Representative from our district, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

MISS CLARA SIEH,  
Secretary.

#### REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. NEELY, from the Committee on the District of Columbia:

S. 2595. A bill to provide for the establishment of a Commission on Human Rights in the government of the District of Columbia; with amendments (Rept. No. 1335).

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 13, 1950, he presented to the President of the United States the following enrolled bills:

S. 493. An act to extend the benefits of the Vocational Education Act of 1946 to the Virgin Islands;

S. 1283. An act to authorize the Secretary of the Interior to acquire, construct, operate, and maintain public airports in, or in close proximity to, national parks, monuments, and recreation areas, and for other purposes; and

S. 3159. An act granting the consent and approval of Congress to a compact entered into by the States of Idaho and Wyoming relating to the waters of the Snake River.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHERRY (for himself and Mr. BUTLER):

S. 3229. A bill to provide for perfecting the title of the State of Nebraska to certain property heretofore known as the Genoa Indian School; to the Committee on Interior and Insular Affairs.

By Mr. ECTON:

S. 3230. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Eloise Plentyhoop; and

S. 3231. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Maud Door Whiteman; to the Committee on Interior and Insular Affairs.

By Mr. KEFAUVER:

S. 3232. A bill to provide for the acquisition and preservation, as a part of the National Capital Parks system, of the Old Stone House in the District of Columbia; to the Committee on Public Works.

#### CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS—AMENDMENTS

Mr. CORDON submitted amendments intended to be proposed by him to the bill (H. R. 5472) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MAGNUSON submitted an amendment intended to be proposed by him to House bill 5472, supra, which was ordered to lie on the table and to be printed.

Mr. SCHOEPPPEL submitted an amendment intended to be proposed by him to House bill 5472, supra, which was ordered to lie on the table and to be printed.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

#### CONTINUATION OF RENT CONTROL—STATEMENT BY SENATOR BENTON

[Mr. BENTON asked and obtained leave to have printed in the RECORD a statement issued by him last week in connection with the deficiency appropriation for the Office of Housing Expediter, urging the continuation of rent control, which appears in the Appendix.]



# MORAL REARMAMENT—ARTICLES BY THE REVEREND FREDERICK BROWN HARRIS

[Mr. WILEY asked and obtained leave to have printed in the RECORD two articles dealing with the Moral Rearmament Conference, entitled "A Rainbow Over the Alps" and "At the End of the Rainbow," written by the Reverend Frederick Brown Harris, Chaplain of the Senate, and published in the Sunday Star, Washington, D. C., respectively on September 25, 1949, and October 2, 1949, which appear in the Appendix.]

## BRITISH HEALTH SEEN SLIPPING—ARTICLE FROM THE WASHINGTON TIMES-HERALD

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an article entitled "British Health Seen Slipping," published in the Washington Times-Herald of today.]

## STATEHOOD FOR ALASKA—EDITORIAL FROM THE NEW YORK JOURNAL-AMERICAN

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an editorial on the subject of statehood for Alaska, entitled "Redeem the Promise," published in the New York Journal-American, March 12, 1950, which appears in the Appendix.]

## STATEHOOD FOR ALASKA IS DECLARED VITAL FOR WEST COAST DEFENSE—ARTICLE FROM WASHINGTON STAR

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an article entitled "Statehood for Alaska Is Declared Vital for West Coast Defense," written by Dorothy Thompson, and published in the Washington Star, March 11, 1950, which appears in the Appendix.]

## TRIBUTE TO WILTON E. HALL—EDITORIAL FROM THE AUGUSTA HERALD

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an editorial from the Augusta Herald of March 2, 1950, paying tribute to Mr. Wilton E. Hall, of Anderson, S. C., which appears in the Appendix.]

## WORLD FEDERAL GOVERNMENT

Mr. HENDRICKSON. Mr. President, in the CONGRESSIONAL RECORD of April 14, 1949, there appears a resolution adopted overwhelmingly by both houses of the New Jersey Legislature memorializing the Congress of the United States to call a convention to propose amendments to the Federal Constitution whereunder the United States would be authorized to join a world federal government.

Now, Mr. President, we find a fine and sincere but misguided group of our great citizenry working for the rescission of the resolution. This would be a serious blow to the cause of world peace—it would be a retreat toward outmoded isolationism. To aid in stemming this growing tide in my own State, Mr. President, I have today issued a statement for appropriate circulation and publication.

Since the trend may seriously affect our future foreign policy, the statement may be of great interest to other Senators who are confronted with similar situations in their own State. I, therefore, ask unanimous consent to have the statement incorporated in the body of the RECORD at this point in my remarks.

There being no objection, the state-

ment was ordered to be printed in the RECORD, as follows:

Quite recently my attention has been directed to a movement in New Jersey to have the legislature rescind the world government resolution which passed both houses unanimously a year ago. To me, this is shocking news for to rescind this resolution at this hour in the world's history would be the first step backward toward the blind alleys of isolationism and outmoded nationalism. Obviously, it would seriously impede and impair the early development of a sound and forward looking American foreign policy which is in the making at this very moment.

New Jersey has always been the vanguard of progressive States and for it to sound such a call to retreat, might well set us back a decade in our struggle for a just and lasting peace.

Speaking as a veteran of both world wars and as a citizen who has ever been ready to sacrifice all for his country, I warn that this movement, though sincere, is nonetheless the outgrowth of misguided patriotism.

Let me remind the citizens of New Jersey that the resolution adopted last year, is wholly permissive. It is only an enabling act and in no respect does it bind the people of our State to any future course of action unless that action is ratified by the people. It merely asks that when 31 other States have similarly resolved, a United States Constitutional Convention be called for the sole purpose of proposing amendments to our Constitution for authorizing to negotiate with other nations, subject to later ratification, a constitution of a world federal government open to all nations, with limited though adequate powers to assure a world peace.

To those fine and sincere patriots who lend ear to the propaganda that a world constitution is to be substituted for our own great charter of liberty, I say banish the fear. It is but a specter to confuse the issue. As for the impairment of our sovereignty—well, what could impair the sovereign rights of a people more than another world cataclysm? Have any American people lost their sovereignty because of a union for a common defense in 1787?

Our country today is engaged in a tragic contest—a cold war in which the forces who favor a world of well ordered law are at grips with statism and communism. The American people sincerely believe in and support the United Nations. We recognize and commend its remarkable achievements in the social, economic, and political spheres of our universe. We are mindful, however, that the confusion and frustration which has resulted from the veto power and other limited powers contained in the United Nations charter has impaired progress toward the ways of peace.

Acting through their duly chosen representatives, the Congress of the United States, our people have down to the present day, overwhelmingly supported a stupendous rearmament program, despite its burdensome cost to them in dollars. More than this, we have supported the North Atlantic Treaty, our first major entangling alliance and with it the Mutual Defense Assistance Act of 1949 to implement it through military aid—all of these things for a common defense against the ravages of war.

Despite these costly structures, our people today are restive and uneasy. The shadows of Hiroshima and Nagasaki hover over them. But, in our midst there is still vision, wisdom and courage and so we find countless thousands sensibly seeking a positive and dependable alternative to the present insecure course to a doubtful freedom and a possible catastrophe.

In this search for an end to the cold war, we are seeking friends and support among nations which now are neither democratic nor communistic but which may well hold the balance of power. Surely, it is but an act of common sense to join with them in strengthening the United Nations, to give it the facilities to make a world law under which peace can be both attained and maintained.

The opposition to world government and the existing proposals therefor, brand this as idealism—it is neither idealism nor generosity—it is only a common-sense formula to be applied in the present struggle for survival.

That I might better know the wishes of our people in respect to the future peace of the world, I joined in the last session of Congress, in three resolutions, namely, World Federalists, the North Atlantic Union, and the Culbertson plan, all designed to attain a formula for world peace under well-ordered law. All three resolutions, particularly the former, have substantial initial support in both Houses of Congress. Indeed, the reaction everywhere has been most encouraging. My mail clearly indicates that the American people are tired of piecemeal efforts to prevent war. They want a positive and dynamic agency to insure peace, and they stand ready to lend their support accordingly.

This support, like the problem it seeks to solve, crosses all party, racial, economic and religious lines. My distinguished opponent in the 1948 senatorial campaign, Mr. Archibald Alexander, and I, the Republicans and the Democrats in their 1948 State platforms, the Congressmen supporting the World Federation resolution now before Congress, the supporters of the resolution now sought to be rescinded in New Jersey, all are working in nonpartisan fashion to give our great civilization enforceable world law to preserve that civilization for generations yet unborn.

To turn back now to a helpless nationalism would be to thwart the only constructive course to peace. To attain that peace, our march must be toward world cooperation, more support of and greater powers for the United Nations, despite the pitfalls and barriers ahead.

I appeal to New Jersey's citizens to defeat the ill-timed effort toward archaic isolationism by supporting those legislators whose courage and vision enacted the resolution of a year ago.

## INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION—RECOMMITTAL OF BILL

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that Senate bill 2826, to increase the borrowing power of Commodity Credit Corporation, be recommitted to the Committee on Agriculture and Forestry for the consideration of one amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. I should like to ask a question about the bill. Is it in conference?

Mr. THOMAS of Oklahoma. No. It was reported to the Senate only a few days ago.

Mr. WHERRY. And it is now on the calendar. I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.



(The following debate, which occurred after Mr. KEFAUVER obtained the floor, was on request of Mr. THYE, and by unanimous consent, ordered to be printed at this point in the RECORD:)

Mr. THYE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. THYE. Mr. President, the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS], spoke to me shortly after the Senate reconvened today about the possibility of having the Commodity Credit Corporation bill, Senate bill 2826, recommitted to the Senate Committee on Agriculture and Forestry for the purpose of permitting the Secretary of Agriculture to appear before the committee to be heard on the amendment I offered to the bill, and which the Senate approved in one of its regular sessions.

I told the Senator from Oklahoma, the able chairman of the Committee on Agriculture, at the time that I did not object. Unfortunately I was called to the telephone to answer a long-distance call which came from my home State on a matter which is of great urgency to the people of Minnesota relative to the potato amendment, which at the present time is before the conference committee for its consideration. When I returned to the Senate floor the bill had already been recommitted to the Senate Committee on Agriculture and Forestry.

Mr. President, I should like to have the remarks I am now making appear immediately after the recommittal action in order that those who read the RECORD may know some of the reasons why I submitted the amendment.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Without objection, it is so ordered.

Mr. THYE. Mr. President, I think it would be well that I now read the amendment which I then submitted. It is as follows:

SEC. 2. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806) is hereby amended to read as follows: "In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the acquisition, warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall employ the services of dealers, commission merchants, and the other usual and customary channels, facilities, and arrangements of trade and commerce."

I have been told that this amendment has been interpreted to be so far reaching that the Commodity Credit Corporation could not own, possess, and operate grain-storage facilities. I do not understand the amendment is subject to such an interpretation; but I have been told that it would have that effect. I am positive its language could not be construed to mean that the Commodity Credit Corporation could not own and possess storage facilities. If the amendment really goes that far it should be corrected, because I know that the Commodity Credit Corporation must have storage facilities. The temporary bins

which exist across the countryside are for the purpose of accommodating the surplus grains which will be turned over to the Commodity Credit Corporation from time to time by the producers.

Mr. President, here are some of the reasons, and they are compelling reasons, why I submitted the amendment. Last December, when I returned to my State, I received telephone calls daily, and individuals had personal contacts with me, asking that I do something about the Commodity Credit Corporation problem, and also to make the CCC settle with the local farmers' elevators across the State for grains they had consigned to the Commodity Credit Corporation many months previously. I listened to the complaints which came to me personally, and I attended conferences and meetings, as a result of which I felt absolutely justified in bringing this matter to the attention of Congress.

I had not more than stepped into the farmers' elevator in my home town to make arrangements for some high protein feeds when there was brought to my attention the fact that farmers had consigned grain to the Commodity Credit Corporation many months before, and they had neither received a report from the Commodity Credit Corporation nor had they had a settlement.

I have in my hand a letter addressed to me by the Farmers Elevator Co., Waseca, Minn., under date of January 9, 1950. This company operates a farmers' elevator. It is not a grain commission firm. It is not one of the type of big business one might expect to be complaining against the activities of the Commodity Credit Corporation. The letter is as follows:

FARMERS ELEVATOR CO.,  
Waseca, Minn., January 9, 1950.

Senator E. J. THYE,  
Senate Building, Washington, D. C.

DEAR SIR: The new Uniform Grain Storage Agreement is now being rewritten. We would like to voice our sentiments on the important legislation which will affect so many who are dependent upon this phase of agriculture for their living. We are not at all satisfied with the manner in which the Government grain has been handled.

We ask that our terminal commission merchants be allowed to represent us on these shipments in order to protect the producer's interests and their elevator companies. Our company services about 300 farmer patrons.

Very truly yours,

MILO L. MIKELSON,  
Manager.

That, Mr. President, is a very mild criticism. I have other letters which are not nearly so mild in their criticism as the one I have just read. Mr. President, in order that I may not trespass any further upon the time of the Senator from Tennessee, who so kindly yielded to me, I ask unanimous consent to have printed in the RECORD three other letters addressed to me on the same subject, in order that Senators and others who have the opportunity to read the RECORD may know what farmer-elevator operators have been up against in the surplus-grain-producing-area States, such as Minnesota, the Dakotas, and the Middle Western States.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEW ULM FARMERS CO-OP ELEVATOR CO.,  
New Ulm, Minn., December 29, 1949.  
Senator EDWARD J. THYE,  
Senate Building,  
Washington, D. C.

DEAR SENATOR THYE: The new uniform grain-storage agreement is now being rewritten. We would like to voice our sentiments on this important legislation which will affect so many who are dependent upon this phase of agriculture for their livelihood.

The manner in which the Government handles the grain is ridiculous. The commission company is the property part to represent our interests in the grain business when it comes to grades, prices, dockage, weights, etc.

We, therefore, ask that when this law is rewritten, that the commission company be the one to represent us and not the Government, on all shipments of Government grain.

We serve about 450 farmer patrons who depend upon us to give them good service the year around.

Yours very truly,

VERNON BUDAHN,  
Manager.

THE GOBLIRSCH ELEVATOR,  
Wabasso, Minn., February 8, 1950.  
Hon. EDWARD THYE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Speaking from an independent elevator-operator's view on CCC grain handling: First, we are expanded enough now that we could never sell and get our money out of the place, then if I would build additional storage where would I get the money and who would I give the space to when it is built? As you couldn't build enough to take care of 450 customers, then you have this treacherous grain which should be watched very closely so it doesn't go out of condition not like CCC handles it by just piling it up and never have a chance to turn it. Then you have the socialistic side behind it of CCC buying its own equipment to handle this and put us out of business. Just where does an independent man stand in this situation is the \$64 question.

Then the way CCC handles it now we never know what they intend to do when we handle it for them we don't know within a year what settlement we get on grades, weights, and invoices. Why not get grain back to its normal channels where it should be handled and keep us all in business, not put one class of people out and then fully support another class.

Yours truly,

LOUIS GOBLIRSCH.

HUNTING ELEVATOR CO.,  
Austin, Minn., January 31, 1950.  
Senator EDWARD J. THYE,  
Washington, D. C.

DEAR SENATOR THYE: We would like to register our complaints on the operations of the Commodity Credit Corporation.

Last May we started shipping farm-delivered grain and it has only been in the last week or two that many of the terminal weights and grades were given us.

While we have been paid some advances on grain which we had stored to July 1, 1949, we have not received anything on shipments of farm-delivered grain. CCC owes us about \$15,000.

Recently we called on CCC in Minneapolis to see what they had to say about paying us and we were informed that the reason for nonpayment was that CCC had run out of money and we would have to wait until an



additional appropriation was made by Congress. On that same day I read that President Truman stated the CCC had a billion and a half on hand.

We feel certain that if existing terminal representatives and facilities had been used there would have been much less confusion and delay. In the future we would like to see more use made of them.

Yours very truly,

J. G. HUNTING,  
President.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. SCHOEPPPEL. I should like to ask the Senator from Minnesota if the request for the amendment and for what the amendment proposes to do did not come from all types of grain dealers, large and small, and from farmer cooperative groups, as well as some of the intermediary types of business concerns?

Mr. THYE. I will say to the able Senator from Kansas that all the letters I have in my hand are from the operators or managers of grain elevators, and that includes a statement by Oscar Olsen, president of the Minnesota Farmers' Elevator Association. I have not referred to grain commission firms, nor have I referred to those who might find a profit in doing business for the small elevators. I am now referring to the man who serves the community, the operator or the board president of small farmers' elevators which serve a particular community—not the big commission firms which reap a percentage upon the volume of business.

Mr. SCHOEPPPEL. I should like to associate myself with the views expressed by the able Senator from Minnesota, because I have received 100 or 150 communications from my State from ordinary small grain dealers and from farmer groups who are expressing the same sentiments and have the desire that this measure be amended or changed so as to come in line with the objective the Senator from Minnesota has in mind.

Mr. THYE. I thank the Senator from Kansas for his contribution, and I take the opportunity of thanking the Senator from Tennessee [Mr. KEFAUVER] for his consideration.

Mr. LUCAS. Mr. President, I should like to make a brief statement respecting the bill which the Senator from Minnesota has just been discussing, and which was recommitted to the Committee on Agriculture and Forestry. The amendment was adopted last Friday, as I understand, by the Committee on Agriculture and Forestry. The Senator from Illinois is a member of the committee, but was not present at the time. The amendment, according to the interpretation and construction placed upon it by the Department of Agriculture, goes much further than the able Senator from Minnesota thought it would go. As a result of that interpretation, it is the thought of the Senator from Illinois and others that the bill should be recommitted—the bill for the purpose of having the Secretary of Agriculture come before the committee and lay before it the reasons for his opposition to the amendment, because if the Secretary of Agri-

culture is correct, the amendment goes even further than the amendment which was adopted by the Eightieth Congress dealing with the acquisition and leasing of real property and other property for storage facilities. If that be true—and I believe that it is probably true—certainly the language must be changed, or it would destroy what has been done with respect to acquiring and leasing of property for storage facilities in the Corn Belt section of Illinois and in other sections of the West. I am sure no Senator would want to do that. The basic reason why the measure is being returned to the committee for further consideration, is so that the Secretary of Agriculture may testify.

Mr. BUTLER. Mr. President, will the Senator from Tennessee yield so I may ask the distinguished majority leader one question?

Mr. KEFAUVER. I yield for that purpose.

Mr. BUTLER. Of course, no one would deny the Secretary of Agriculture the privilege of appearing before a committee to present his views on a matter which apparently he overlooked, in the first place. But in that connection, I should like to ask the distinguished majority leader if it would be agreeable to have witnesses appear from among farm elevator companies, as well as others who favor the amendment?

Mr. LUCAS. I have no objection to hearing any witnesses upon the amendment itself. However, as I understand, the amendment was prepared by the grain trade, and testimony with respect to it was taken for some 3 or 4 days by members of the grain trade throughout the country, and apparently they had this principle in mind, because they came forth with the amendment, as I understand, which was offered and adopted by the committee. However, the point I am making is that the Secretary of Agriculture and his subordinates had no opportunity to see the amendment after it was presented to the committee and to give us their reaction as to its consideration and proper interpretation. If they are correct in their viewpoint, the amendment goes much, much further, as I said before, than what the Senator from Minnesota desires. He has very politely said that he does not wish to go so far as the Secretary of Agriculture says the amendment goes; and he is as anxious as other Senators are to have that situation corrected.

Mr. BUTLER. Mr. President, I am sure the majority leader will be perfectly willing to have those in the grain business who feel that the industry is being completely socialized by the Department of Agriculture given an opportunity to be heard after the Secretary of Agriculture has been heard.

Mr. LUCAS. I would be willing to listen to any testimony as I did, I recall, upon several occasions. It was simply unfortunate that I could not be there last Friday, as a member of the committee.

But certainly I have no objection to listening to these distinguished gentlemen; and particularly now, in view of what the Senator has said, I wish them

to trace for me exactly how the Secretary of Agriculture is socializing this industry.

Mr. President, the word "socialization" is being bandied about here rather loosely at times. If those who are in the grain trade can show the Senator from Illinois and other Members of the Senate how the storage of corn in central Illinois, for the protection of the farmers in my section of the State, is driving us down the road to socialism, so far as that storage is concerned, I shall be very glad to interrogate them myself in respect to that particular phase of the inquiry, because there is no one in the Senate or in the country who is more opposed to socialism than is the Senator from Illinois.

Now that the Senator from Nebraska has raised the question, I am sure the Senator from Illinois will be there, for the purpose of interrogating his constituents upon that point. I hope the Senator from Nebraska will be there, too, to give us a further explanation of that very delicate question.

Mr. BUTLER. I expect to be there. I think the distinguished majority leader and I are in complete agreement in regard to the storage of corn or other grain at interior points. There can be no argument about the wisdom of such a policy, and no partisan issue is involved.

But when it comes to movement of such stored grain to the terminal markets, all that the grain trade, the farmer cooperatives, and others ask is that their services may be used in connection with the disposal of the grain. When small business, be it in the grain business or in any other line is supplanted by the activities of a government corporation, I think that is socialization.

Mr. LUCAS. Mr. President, I shall not take the time of the Senator from Tennessee to debate that question today. I shall stand upon the previous statement I made. I am sure this amendment goes much further than what the Senator from Minnesota anticipated. That is why we are trying to have it corrected, because I do not want to see prevail—and I am sure other Senators do not—the condition which existed during the Eightieth Congress, when the corn farmers could not get any storage at all for their grain, because of the law which was enacted.

Last year we perfected that. Now, according to the Secretary of Agriculture, if this amendment becomes the law, we would be going even further than we did by the amendment in the Eightieth Congress. That is all I wish to find out.

#### INTERNATIONAL GOLDEN GLOVES

Mr. WILEY. Mr. President, on various occasions I have called the attention of the Senate to what I thought were significant visits by distinguished visitors from foreign countries. Such a group came recently from Japan, and other groups have come from all over Europe. Today I have had called to my attention that an amateur sporting event will be held in this city on April 21—the International Golden Gloves. This is to be an athletic contest between the champion Washington Golden Gloves boxer







terminated under regulations prescribed by the Secretary of Agriculture.

Any allotment surrendered and transferred under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except that such acreage will not be regarded as having been planted for the purpose of determining the highest acreage planted under section 344 (f) (1) (B) and the proviso in section 344 (f) (2) of the Agricultural Adjustment Act of 1938, as amended.

Any acreage surrendered and transferred under this paragraph will be credited to the State and county in determining acreage allotments.

(2) The House joint resolution provided for the establishment in 1950 of minimum farm allotments equal to the larger of 70 percent of the average acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, during the years 1946, 1947, and 1948, or 50 percent of the highest acreage planted (or regarded as planted) on the farm in any one of such years, with the limitation that no farm could receive an allotment under this provision making a total allotment in excess of 40 percent of the acreage on the farm which is tilled annually or in regular rotation, as determined in accordance with regulations prescribed by the Secretary of Agriculture.

The conference substitute changes this provision by providing for the establishment of minimum farm allotments equal to the larger of 65 percent of the average acreage planted or regarded as planted to cotton during the years 1946, 1947, and 1948 (instead of 70 percent as provided in the House joint resolution) or 45 percent of the highest acreage planted to cotton or regarded as planted to cotton in any one of such years (instead of 50 percent as provided in the House resolution).

The provisions limiting such increases to 40 percent of the acreage on the farm tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary, are the same as those contained in the resolution as it was passed by the House.

In order for any farm to receive an increased allotment under this measure, the owner or operator of the farm must apply in writing within a reasonable period of time (not less than fifteen days) to be fixed by the Secretary. The resolution as passed by the House required farmers not only to file applications but also certify that the increased allotment would be used. The conference substitute eliminated the provision requiring certification and added the provision requiring a reasonable period of time within which such applications could be filed.

The additional acreage required to be allotted under the conference substitute is to be in addition to the county, State, and national acreage allotments proclaimed by the Secretary for the 1950 crop of cotton, and the production from such acreage is to be in addition to the cotton marketing quota for such crop. The additional acreage, however, is not to be taken into account in establishing future State, county and farm acreage allotments. This is the same as the provision contained in the resolution as it passed the House.

The resolution as passed by the House and the conference substitute both provide in substance that notwithstanding any other provision of law, the allotments authorized are to be a specified percentage of the acreage planted to cotton or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress, during the specified base years. The effect of this provision is to remove any requirement which may have existed heretofore that the aggregate of farm

histories of plantings within counties should be adjusted so as to equal the acreages estimated by the Bureau of Agricultural Economics. This will enable farmers, if they are dissatisfied with their allotments, to establish their actual history of plantings during the base years and have the allotments authorized under this resolution based upon the actual histories which may be established.

(3) The third paragraph of section 1 of the conference substitute adds a new provision authorizing and directing the Secretary to use not more than 50,000 acres to make emergency cotton allotments to farmers whose 1950 crops have been substantially destroyed by "green bugs". The acreage thus provided is to be in addition to the national acreage allotment and will not be credited to the history of the farm, county, or State. The paragraph further provides that in no event shall any farm receive more than one acre of cotton allocation for each two acres of other crops which have been destroyed.

#### SECTION 2—REVIEW OF FARM HISTORY AND COTTON ACREAGE ALLOTMENTS

Section 2 of the conference substitute is the same as section 3 of the joint resolution as passed by the House. This section will give any farmer who is dissatisfied with his farm acreage for the 1950 crop, fifteen days after the effective date of this resolution to apply for a review of his allotment, even though the time for applying for such review may have expired. This section will also give any farmer who receives a notice of any change in his 1950 allotment or of the denial or the granting of an application for an adjustment under the provisions of this Act, fifteen days within which to have such action reviewed by a review committee.

The Department of Agriculture has indicated that in arriving at the allotments authorized under this joint resolution, it intends to use in the first instance the figures of acreages planted or regarded as planted to cotton on the farm as determined by the State and county committees and used in computing farm acreage allotments under the current provisions of the Agricultural Adjustment Act of 1938, as amended, including the provisions of Public Laws 272 and 439, Eighty-first Congress. Therefore, any farmer who is dissatisfied with the farm acreage history which has been established by the county committee, to obtain any correction or adjustment in such farm acreage history, would have to appeal to a review committee. Many farmers who were dissatisfied with the cotton history established for their farms for the years 1946, 1947, and 1948, or their war crop history, did not apply for review for the reason that the farm history did not enter into the calculation of the farm allotment except as a limiting factor. Other farmers who did seek a review to have the correct history established for their farms, were informed that the review committees would not be able to grant any relief, because a correction in the farm history for the farm would not result in any change in the allotment.

Since the allotment provisions of the resolutions are based upon cotton and war crop history, the farm history for each of these years is of controlling importance in arriving at the allotments authorized under the resolution. Therefore, any farmer who believes that his farm history has not been correctly determined by the county committee may obtain a review by the review committee and have such history correctly determined upon proper proof of the facts. Under this resolution the review committee may, upon such evidence as it deems sufficient to warrant such action, adjust the cotton acreage history for individual farms without regard to any requirement or action by the county committees that individual farm histories in

the aggregate were not permitted to exceed the county acreage as determined by the Bureau of Agricultural Economics. In reviewing farm cotton and war crop history, the review committees may consider the matter de novo and are not limited to that evidence or information which was submitted to the county committees and may make adjustments in farm histories and farm allotments even though the county committees by administrative regulation or instructions are precluded from making such adjustments. The committee of conference is informed by the Department of Agriculture that the review committees are authorized under existing regulations to review the farm cotton acreage history determined in connection with the 1950 crop and to make such corrections as are warranted upon the evidence presented to them. In short, it is the intent of the committee that this provision will afford farmers an opportunity to prove the correctness or incorrectness of any data used in connection with the establishment of the farm history or the farm allotments based thereon. It is also the intent of the committee that the Department should take appropriate action through the State and local committees to inform farmers of their appeal rights under the provisions of this resolution, so that farmers will have full opportunity to have any inequities in farm allotments eliminated.

#### SECTIONS 3, 4, AND 5—POTATOES

Sections 3, 4, and 5 relate to potatoes. There was no reference to potatoes in the resolution as it passed the House. The provisions contained in the conference amendment are a considerable modification of the provisions relating to potatoes adopted by the Senate.

(1) Section 3 applies to Irish potatoes acquired under the 1949 price support program. Its purpose is to provide the Secretary with broad discretionary authority whenever surplus potatoes cannot be used more advantageously to dispose of these potatoes as food for human consumption rather than permitting their destruction or loss through spoilage. This is to be accomplished, when necessary, by giving such potatoes to eligible recipients.

Specifically, the section removes any doubt which may have existed as to the Secretary's authority to pay all or part of the transportation and handling charges on such potatoes where he finds such action to be necessary, in order to carry out the purposes of the section. The list of eligible recipients of surplus potatoes is somewhat broader than that contained in section 416 of the Agricultural Act of 1949. It is not the intention of the committee that the Secretary shall establish any uniform rule as to payment of handling and transportation charges with respect to all recipients, but rather that he shall establish in each case such "terms and conditions" as he deems appropriate and in the public interest and in furtherance of the purpose of this section.

It is the hope of the committee that under the authority of this section the Secretary will find it possible to eliminate some of the "red tape" which the committee feels has heretofore handicapped distribution of these potatoes for food purposes and will be able to pursue with diligence a program of finding use for such potatoes as human food rather than permitting their destruction.

(2) Section 4 makes compliance with marketing orders, or marketing practices prescribed by the Secretary, prerequisite to price support on potatoes of the 1950 crop harvested after enactment of this joint resolution. Marketing agreements and orders are established under the authority of the Agricultural Marketing Agreement Act of 1937. They are in effect at this time with respect to a large proportion of the commercial potato production.



If the Secretary finds that there is not time before the 1950 marketing season starts to develop and issue a marketing order in any area not now covered by such an order, or that an order is impracticable for potatoes grown in such area, he may make price supports available in such areas under marketing practices prescribed by him which will be comparable in terms to the marketing orders in effect in other areas.

The committee is aware that marketing orders, and presumably marketing practice requirements promulgated by the Secretary, may not be exactly uniform in the various potato production areas. The section, therefore, authorizes and directs the Secretary to include in the price support program such "additional potatoes" as he determines necessary to avoid discrimination between areas because of differences in the terms of the marketing orders and practices.

The price support program authorized by this section is different in several important respects from that now in effect. The Secretary is required to make price supports available only in those areas in which there are marketing orders in effect at the time potatoes are harvested but he may make them available to producers in other areas under prescribed marketing practices if he determines that there is insufficient time to put a marketing order into effect or that a marketing order is impracticable for such areas.

In those areas where price support is in effect, it is limited to "eligible growers" and to the potatoes produced by such growers which can be marketed in commercial channels under terms of the marketing orders or marketing practices prescribed by the Secretary (plus such additional potatoes as it may be necessary to support to prevent discrimination). In the past, price support has been extended to all merchantable potatoes, including those of inferior grades which are not permitted to be marketed under marketing orders and therefore will not be eligible for support under this legislation.

Section 5 prohibits price support for Irish potatoes in 1951 and thereafter unless marketing quotas are in effect. The committee of conference was aware that there is no existing legislative authority for the establishment of marketing quotas for potatoes and that in the absence of affirmative action by Congress, any price support for potatoes in 1951 is barred by this section. The committee was also aware that consideration of new price-support legislation for potatoes is already under way in Congress and it is not its intention that this section should be regarded as in any way limiting or affecting that proposed legislation, but merely as an expression of the present intention of Congress with respect to the 1951 potato crop in the event that no new legislation affecting that crop is enacted.

#### SECTIONS 6 AND 7—PEANUTS

(1) Section 6 of the conference substitute relates to peanuts and amends Section 359 of the Agricultural Adjustment Act of 1938, as amended, by adding three new subsections. The provisions contained in the conference amendment are substantially the same as the provisions inserted by the Senate Amendment.

They are also substantially the same as those contained in H. R. 4081 which was passed unanimously by the House on May 2, 1949. This section, except for minor differences which will be explained below, simply restores provisions of the Act which were inadvertently repealed in connection with an amendment adopted by the Act of August 1, 1947 (Public Law 323, 80th Congress). This section restores the authority for the operation of a two price program for peanuts similar to that which was in effect during 1941 and 1942 under the then existing Section 359 (b) of the Agricultural Adjustment Act of 1933.

The proviso in subsection (g) is new and is applicable only to the 1950 crop. It is designed to require the Secretary to make any excess peanuts of a type which is in short supply available for cleaning and shelling for edible purposes at prices not less than those at which the Commodity Credit Corporation may sell peanuts and to prorate the proceeds received therefrom, after deduction of all costs incurred in connection with the handling of such type of peanuts, among all the producers delivering excess peanuts of such type.

Subsection (i) which did not appear in H. R. 4081 provides that subsections (g) and (h) will not be operative with respect to any crop of peanuts when marketing quotas are in effect on the corresponding crop of soybeans.

It is anticipated and intended under the terms of this section that the excess peanuts will be marketed promptly by the designated agency and shall not under any conditions or circumstances be held in storage by either such agency or the Secretary of Agriculture for the purpose of using the same or for the same to be used in determining the total supply or the supply percentage for either price support purposes, or the amount of the national marketing quota for peanuts. And in the event any of said peanuts should be carried over, irrespective of the reason or circumstances, they are not to be used for either of said purposes.

Paragraph (b) of section 6 which was not included in H. R. 4081, merely provides that any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. This provision makes it clear that excess peanuts may not be used to augment base history for allotment purposes.

Except for the differences referred to above, section 6 is the same as the provision which the House approved unanimously on May 2, 1949.

(2) Section 7 of the conference substitute is the same as section 5 of the joint resolution as it passed the House. It relates to peanut acreage allotments for 1950 only, and provides that for 1950 no State shall have its peanut acreage allotment reduced by a percentage larger than the percentage by which the 1950 national peanut acreage allotment as heretofore proclaimed is below the 1949 national peanut acreage allotment. This section provides relief to those States which received reductions in their 1950 allotments in excess of the reduction in the national allotment. The additional acreage required to eliminate these inequities is not to be taken into account in establishing acreage allotments in subsequent years.

HAROLD D. COOLEY,  
STEPHEN FACE,  
W. R. POAGE,  
GEORGE M. GRANT,  
CLIFFORD R. HOPE,

*Managers on the Part of the House.*

#### COMMITTEE ON RULES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### COMMODITY CREDIT CORPORATION

Mr. MCSWEENEY, from the Committee on Rules, reported the following resolution (H. Res. 513, Rept. No. 1783), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself

into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### COMMITTEE ON PUBLIC LANDS

Mr. LESINSKI. Mr. Speaker, by direction of the Committee on Education and Labor, I ask unanimous consent that that committee be discharged from the further consideration of the following bills and that they be referred to the Committee on Public Lands:

H. R. 7462, to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits; and for other purposes.

H. R. 7463, to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits; and for other purposes.

H. R. 7523, to reestablish a Civilian Conservation Corps; to provide for the conservation of natural resources and the development of human resources through the employment of youthful citizens in the performance of useful work, including job training and instruction in good work habits; and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### PRACTITIONERS BEFORE ADMINISTRATIVE AGENCIES

Mr. WALTER. Mr. Speaker, by direction of the Committee on the Judiciary, I call up the bill (H. R. 4446) to protect the public with respect to practitioners before administrative agencies.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 4446, with Mr. BIEMILLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WALTER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the measure under consideration is designed to provide a uniform method of qualifying practitioners before the Government agencies. The subject matter of this bill was contained in the Administrative Procedure Act,

CONSIDERATION OF H. R. 6567

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MARCH 15, 1950.—Referred to the House Calendar and ordered to be printed

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Mr. McSWEENEY, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 513]

The Committee on Rules, having had under consideration House Resolution 513, reports the same to the House with the recommendation that the resolution do pass.







## House Calendar No. 183

81<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. RES. 513

[Report No. 1783]

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1950

Mr. McSWEENEY, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That immediately upon the adoption of this  
2 resolution it shall be in order to move that the House resolve  
3 itself into the Committee of the Whole House on the State  
4 of the Union for the consideration of the bill (H. R. 6567)  
5 to increase the borrowing power of Commodity Credit  
6 Corporation. That after general debate, which shall be  
7 confined to the bill and continue not to exceed two hours,  
8 to be equally divided and controlled by the chairman and  
9 ranking minority member of the Committee on Banking  
10 and Currency, the bill shall be read for amendment under  
11 the five-minute rule. At the conclusion of the consideration  
12 of the bill for amendment, the Committee shall rise and

1 report the bill to the House with such amendments as may  
2 have been adopted and the previous question shall be con-  
3 sidered as ordered on the bill and amendments thereto to  
4 final passage without intervening motion except one motion  
5 to recommit.

House Calendar No. 183

81<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. RES. 513**

[Report No. 1783]

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## RESOLUTION

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Providing for the consideration of H. R. 6567,  
a bill to increase the borrowing power of  
Commodity Credit Corporation.

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By Mr. McSWEENEY

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MARCH 15, 1950

Referred to the House Calendar and ordered to be  
printed







Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. On the ECA bill we have 6 hours of general debate. You are not going to try to finish that bill tomorrow, are you?

Mr. MCCORMACK. No.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

#### EXTENSION OF REMARKS

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD in five separate instances, in one to include extraneous matter.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CAMP asked and was given permission to extend his remarks in the RECORD and include an excerpt from the Atlanta Suburban Reporter of March 20, 1950, and separately one from the Atlanta Constitution of March 8, 1950, on the subject of taxation.

Mr. HOWELL asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include an article by Ludwell Denny.

Mr. FURCOLO asked and was given permission to extend his remarks in the RECORD in four separate instances, in one to include a resolution.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. D'EWARD asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. MEYER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HARDY asked and was given permission to extend his remarks in the RECORD and include an editorial.

#### BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. HERTER], and now yield myself 5 minutes.

Mr. Speaker, House Resolution 513 makes in order the bill H. R. 6567, which has to do with increasing the amount allocated to the Commodity Credit Corporation.

This Corporation, as the Members of the House may realize, has been in existence for 17 years and it has done a marvelous job supporting farm prices and helping stabilize the entire economy of the country.

In going over the reports of the 17 years of the operation of this Corporation, we find that the losses have been very small in comparison to the benefits that have been derived from the legislation. They have averaged \$9,000,000 a year. Nine million dollars is a great amount, but at the same time \$9,000,000 per year is not a tremendous loss when we consider what it has done for the general economy of the country, because by increasing the purchasing power of the farmers, we have helped indirectly to stabilize other businesses. In other words, the manufacturers of farm implements, dairy equipment, and so forth, could not have survived and prospered unless a farmer had a purchasing power with which to buy the things which were essential to his farm program.

It is interesting that this Corporation was originally set up under the laws of Delaware. The third recommendation made by the President under the Hoover Commission recommendations was to transfer this Corporation formed under the laws of Delaware to the Department of Agriculture, where it is under the direct jurisdiction of the Secretary of Agriculture. Mr. Brannan, our very efficient Secretary of Agriculture, in turn, is putting forth every effort to make it operate just as economically as possible.

As you probably know, the prices of farm commodities and other commodities in the last few years have risen. For that reason, the committee has asked for an additional \$2,000,000,000 to carry on more effectively this work. As you know, this money is in a revolving fund. We hope with proper administration, and with the hope also that there will be no drought or unforeseen calamities, that we may make this a balanced program, where the Government will get back into the Treasury the amount it has put out as a revolving fund.

As a former member of the Committee on Agriculture, I realize how essential it is to have surplus agricultural crops. We all realize that the margin is close. If we should have an unforeseen act of God bringing a drought upon America, it would be essential for us to touch very heavily these reserves that now seem to be so enormous. On the other hand, we must consider the balance of a program like this and try to maintain it so that we can keep an even and a balanced economy throughout America.

I respectfully ask that you give consideration to this rule, which in turn makes in order this important piece of legislation.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I was much interested in what the gentleman had to say about the very minor cost, comparatively speaking, of this program. I want to back the gentleman up in that assertion. Mr. Brannan appeared before our Subcommittee on Appropriations for Agriculture, and in questioning him last January 12 it was brought out that the entire program during the last 10 years had cost the taxpayers of America, up to next June 30, and that includes all of the potato and egg losses, \$1,100,000,000 over the 10-year period, scarcely more than \$100,000,000 a year.

If the gentleman will recall, a lot of people charge against the price-support program the \$2,100,000,000 that was spent as consumer subsidy during the war, and which had absolutely nothing to do with the price-support program.

Mr. McSWEENEY. It is very kind of the gentleman to make that contribution.

Mr. HERTER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, insofar as I know there is no objection whatsoever to the adoption of this rule. We have assumed certain obligations under the law which are going to have to be met. However, in the consideration of this measure it seems to me that we are going to a great extreme in extending the credit of the Commodity Credit Corporation by an additional \$2,000,000,000. I read the report of the committee with very great interest. I see in the report this statement:

The most recent estimate which the Corporation has made as to the maximum amount needed for price supports through the fiscal year 1951 amounts to \$5,300,000,000.

The extension of the credit which is asked for is \$1,450,000,000 over and above the maximum estimates that have been made by the Commodity Credit Corporation itself.

The committee indicates there are certain variables which no one can account for, that the yield per acre in cotton, wheat, or corn might be greater than the average on which these estimates are made. However, if the amount were cut down by \$1,000,000,000, there would still be a margin of over \$400,000,000, to be exact, \$450,000,000 above this estimate with which to take care of a variable of that kind.

I am therefore hoping that when the matter comes up under the 5-minute rule an amendment will be offered to cut the amount to \$1,000,000,000, because I have a very uncomfortable feeling that if we extend this authorization by \$2,000,000,000 now, we may well be setting a pattern of a \$2,000,000,000 subsidy, which will be carried on into future years.

Mr. Speaker, I yield back the balance of my time.

#### FOREIGN ECONOMIC ASSISTANCE

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 518, Rept. No. 1815) which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order



to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7797) to provide foreign economic assistance, and all points of order against the said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. MCSWENEY. Mr. Speaker, I yield 9 minutes to the distinguished majority leader [Mr. MCCORMACK].

(Mr. MCCORMACK asked and was given permission to revise and extend his remarks.)

Mr. MCCORMACK. Mr. Speaker, in supporting this bill, I want to call attention to some remarks I made on July 21 of last year when the Brannan plan was before the Committee of the Whole. At that time I said, in part:

But all I am voting for in addition is to allow an experiment on three commodities, now specifically mentioned and confined to a time limit, to see whether or not, through an experiment in these commodities, we can give to agriculture the support that is needed in an intense industrial system and at the same time prevent this situation—

I was referring to potatoes—

of buying and being unable to dispose of the commodities in any way, bringing about a reaction that ultimately, as everyone of us knows in his own mind, will destroy the whole farm program and bring about a general disrespect for Government itself.

I also said:

That is a constant threat to agriculture and agricultural legislation that should address itself particularly to you ladies and gentlemen who represent agricultural districts entirely or in the main.

Mr. Speaker, I want to compliment Secretary Brannan for his courage. Secretary Brannan had presented a very limited trial plan as an experiment. He had the courage to do this. Everybody admires a man of courage. All we hear in opposition to the Brannan plan is the cry of "socialism," or this, that, and some other general or sinister criticism such as Guy Gabrielson, chairman of the Republican National Committee, made only yesterday and which it would have been much better if he had not said, because the agricultural question should not be a political question and I am afraid that Mr. Gabrielson is liable to make it deteriorate into a purely political and partisan question.

His leadership would be much more appreciated, I am sure, by the farmers and those of us who support the farmers, if he would refrain from making partisan statements such as he did yesterday.

Mr. HARVEY. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield.

Mr. HARVEY. I simply wanted to add this thought or suggestion. I appreciate the majority leader's stand in stating that this should not be a political issue. I would, however, remind our leader that it was President Truman himself who made of this a political issue in the fall of 1948.

Mr. MCCORMACK. Made a political issue of what?

Mr. HARVEY. Of the farm program.

Mr. MCCORMACK. Of the farm program?

Mr. HARVEY. That is right.

Mr. MCCORMACK. Well, his position was very much in the interest of the farmers. I never knew that when a person was speaking for the interest of any group of American citizens, or for the Nation as a whole, that that was a political issue in the sense the gentleman uses it.

Coming back to Secretary Brannan, I call upon those who oppose the Brannan plan to offer a plan of their own. I do not know whether the Brannan plan is the correct one or not, but one thing is certain: Secretary Brannan had the courage to offer a plan. I have seen no plan as yet offered by anyone else. I have heard many Members in this Chamber and persons outside of this Chamber oppose the Brannan plan, and they have a right to do so if they do so on its merits. But, again, the opposition that I have heard consists of general charges. One thing is certain: Secretary Brannan recognized that something must be done in order to continue price supports and parity payments and at the same time prevent the consumer from paying a much higher price as a result of governmental action than the law of supply and demand would ordinarily call for.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. MCCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I am interested in what the gentleman is saying. I, too, have heard many discussions about the Brannan plan; I have read a lot of literature on the subject; I heard the debates with respect to the trial-run program; I have read the Senate bill offered by Senator THOMAS; and I wonder if the gentleman can advise me where I can go to get specific and accurate information as to exactly what the Brannan plan is. I may say to the gentleman that for 3 weeks I have been requesting that information from Mr. Brannan himself in order that I can get out of the talk stage and the suggestion stage and the argument stage and put my finger on the place where I can know exactly what that program is. Does the gentleman have available to him information that would permit me to know exactly what the proposal legislatively is aside from all the suggestions that have been made and all the arguments that have been made? I ask this question in very good faith because I would like to be able to put my finger on the plan and say, "This is the plan."

Mr. MCCORMACK. I cannot advise the gentleman from Wisconsin, but so far as the gentleman from Massachu-

setts is concerned, the gentleman from Massachusetts has to his own satisfaction complete knowledge of the Brannan plan.

The Brannan plan was an experiment with three farm commodities for a limited time. There was a time limit, and three commodities were expressed. The purpose of production payments to the farmer on the one hand and to enable the law of supply and demand to operate on the other in relation to those farm commodities was to carry out promises this Congress had made and at the same time enable those three farm products to be disposed of in the market in a manner through which the consumer would get the benefit of the operation of the law of supply and demand rather than the effect of the Government support of perishable commodities, putting them in storage and forcing the price up to an artificial level. That, broadly, is the plan.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. MCCORMACK. I yield to the gentleman very briefly.

Mr. KEEFE. The gentleman has referred to the plan known as the trial-run plan which was offered by the gentleman from Georgia [Mr. PACE], I believe.

Mr. MCCORMACK. Exactly; that is the Brannan plan.

Mr. KEEFE. Is that the Brannan plan that the gentleman is talking about?

Mr. MCCORMACK. That is the plan I am talking about now, the plan that was offered last year. My remarks constitute an expression of my feelings with reference to Secretary Brannan and his courage in offering the plan, knowing that something must be done from the angle of the protection of the agriculture of the country and our farmers. The situation now existing is not in their interest. Those who oppose the Brannan plan—and I impute good faith to them—ought to come forward with a plan of their own. Secretary Brannan instead of being criticized should be complimented for his courage. His plan might be opposed and criticized on its merits, but he is the only one who has offered a plan. This is a matter which should commend itself to the attention of every farmer; it should also commend itself to the attention of every Member of Congress, particularly those who represent rural districts, in whole or in part.

Mr. KEEFE. Mr. Speaker, will the gentleman yield further?

Mr. MCCORMACK. I yield.

Mr. KEEFE. I appreciate the significance of what the gentleman is saying, and I say very honestly and candidly that I am searching for information that will enable me to understand this very difficult program.

Mr. MCCORMACK. It is difficult; I will agree with my friend.

Mr. KEEFE. We have just passed a conference report here today which proposes to carry forward in this Congress under the leadership of the distinguished gentleman from North Carolina [Mr. COOLEY], a portion of the agricultural program.



Mr. McCORMACK. The agricultural program is one that will constantly be before this body. The basic proposal that appeals to me, I may say to the gentleman from Wisconsin, is that we cannot have a continuance, particularly in connection with perishable commodities, of the Government buying them and putting them into storage, thereby keeping the price up to the consuming public, and I say that not only in the interest of the farmer but in the interest of the country as a whole. This Congress should meet that problem. Secretary Brannan has had the courage to offer a plan. He should be commended for it instead of criticized and those who oppose his plan should come forward with a proposal of their own so that we can consider it in connection with his plan.

Mr. KEEFE. Does the distinguished majority leader know of any concrete written proposal in the form of legislation that embodies the principle of the Brannan plan other than the proposal that was advocated by the gentleman from Georgia in the so-called trial run proposition?

Mr. McCORMACK. I have no knowledge of it, but that strengthens my position because it shows that Secretary Brannan, recognizing that experience is the best teacher, wanted to experiment with 3 perishable commodities so that we might get the benefit of that experience to determine whether or not it should be extended. I think he should be highly complimented for his courage and for his action in submitting his proposal and those who oppose ought to offer something in lieu of mere opposition.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, 3 weeks ago the House floor was jammed with Members who wanted to do something about the catastrophic coal situation.

Today, just 21 days later, scarcely a voice is heard on the subject. The annual coal emergency is over and the headlines have melted away. The speeches are stashed away for the summer ready to be hauled out again when trouble inevitably returns to the coal fields.

I know there are others here who are just as tired of this annual routine as I am. Let us face, honestly, the facts about the coal industry and then do something about them instead of talking our way through annual emergencies.

The disputes in the coal fields are only symptoms of a basic sickness we have done nothing to treat. There are two things we know about the coal industry—that it is essential to the proper functioning of our economy and that full production gives us more coal than we

need. To do full justice to the miners and the industry, we must accept those two facts, and proceed from them to return health to an industry which has brought poverty and misery to the miners in the fields and annual emergencies to consumers everywhere.

How do we do that? I am not sure I know all the answers, but the solution is not in antilabor injunction legislation. It is in the structure of the coal industry itself, production, distribution, and consumption.

The Christian Science Monitor Monday revealed a process in the making which would not only open up a vast new demand for coal, but improve the quality of that coal and provide an end to the Nation's domestic oil shortage. That entire article by Harlan Trott, a distinguished and able member of the Monitor's Washington staff, was entered in the RECORD yesterday by the gentleman from Ohio [Mr. HAYS].

It opens up vast new possibilities.

President Truman has proposed to Congress a coal commission to seek a permanent cure for the diseased coal industry. I have introduced a similar measure in the House. We badly need such a commission and I suggest Mr. Trott's article is proof that such a commission will find plenty to investigate and many worth-while recommendations to report.

Since the commission proposals were made more than 3 weeks ago, there has been little or no action. To my knowledge, no hearings have been scheduled or planned. If the annual coal strikes had not made the need for action on the commission measures clear, a few excerpts from Mr. Trott's description of what he terms the Karrick process ought to complete the job. Listen to this list of potential benefits:

End the Nation's domestic oil shortage permanently.

Provide abundant high-grade oil at lower cost.

Open up a vast new demand for coal.

Keep John L. Lewis' coal miners working full time.

Produce a cheap, smokeless fuel to solve the soot and smog problem of cities like Los Angeles, St. Louis, and Boston.

Produce 3,000 cubic feet of high-value fuel gas and 100 kilowatt-hours of electricity as additional products out of every ton of coal.

Justify building and operating coal-oil plants—three times cheaper in capital investment than present methods—as utilities in most cities and towns and at coal mines.

If this coal-treating process really worked, then the Nation could have oil for nearly 2,000 years at its present rate of consumption. There is that much coal available, according to the Department of the Interior.

Such a process does exist.

The public is not being told about it.

For simplification, it is called in this article the Karrick process after the man who developed it. It is a low-temperature method of distilling oil from ordinary soft coal. It is radically different from a three to four times more expensive process of obtaining oil from shale by a German method, which is favored and now is being developed by the United States Bureau of Mines.

Just think of the implications in terms of coal alone. Full annual production of

all the coal the miners could put out. A full year's work for miners who have suffered for years from alternate layoffs and strikes. Expansion in a contracting industry at a time when our No. 1 economic goal is expansion.

For the other implications of the process outlined in the Monitor article—one which may eventually be recognized as one of the most important of the year—I commend the full story to all of you.

I think we should give full recognition to the potentialities of this process. The ideal way to get the facts and lay them before Congress is to approve a coal commission. I suggest that the time to start doing something about the next coal crisis is now, not next winter when the annual big freeze is upon us.

Mr. HERTER. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

[Mr. JOHNSON addressed the House. His remarks will appear hereafter in the Appendix.]

(Mr. JOHNSON asked and was given permission to revise and extend his remarks.)

Mr. HERTER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, in the colloquy which I had with the distinguished majority leader, in good faith so far as I am concerned, may I say that it was an attempt to get information. May I say further I have been trying to get that same information from the Secretary of Agriculture now for 3 weeks. Up until last night I have received no response to the letters which I have addressed to him.

What I have tried to find out from this mass of talk, newspaper comment, editorial comment, and everything else is, What is the specific plan that is proposed for all of agriculture in the so-called Brannan plan? I ask the question whether or not the first bill that was introduced in the Senate by Senator THOMAS of Oklahoma was and is the Brannan plan? If it is not the Brannan plan, then has there been some other bill introduced?

Today I find that another bill, S. 1971, which consists of some 70 or 80 pages was introduced by Senator THOMAS. What is the plan? Is it embodied in this bill, S. 1971, or is the plan just in the talking stage at the present time?

Are we just sparring around looking for something to make a political issue out of? The people I represent are interested in the problem that is presented. As a Member of Congress I am exceedingly interested in this problem. For the last 3 months I have devoted myself to a study of this problem to see if a program could be developed that would save us from the enormities of the situation that have developed under the present price-support program.

I am asking the distinguished majority leader—his party, the Democratic Party, is in control of this Congress; they are a working majority in the Senate and they have a working majority in the House—if the Brannan plan is the plan



that is going to save agriculture and save the people of this country, why is not a program of that kind enacted into law? Up to date it impresses me that this whole thing has been in the talk stage. We witness the great farm organization, the Farmers' Union Organization, in support of the so-called nebulous thing we call the Brannan plan. We find the Farm Grange and the Farm Bureau, and certain sections of it at least, and its leadership, in opposition. Agriculture itself is divided, as witness the efforts we had in this very Congress, in the House and in the Senate, to arrive at any working solution of this agricultural problem.

It seems to me that it is time that the Congress of the United States attempted to meet the very situation which has been in the talk stage for so long, promoted by Secretary Brannan. Now you say, "Why does not somebody come up with a program?" I understand that the great Farm Bureau organization and the great Grange organization have suggested repeatedly a concrete, definite program to deal with this problem.

How do you account for the fact that the former Secretary of Agriculture himself, Mr. ANDERSON, the distinguished Senator from Vermont, and various other leaders in this body and in the other body, have come up with an agricultural program that has passed the Congress of the United States and is now the law, by virtue of the action which we took here this morning, which will, no doubt, be concurred in by the other body and be signed by the President? It does not seem to me that it is going to do any good in the solution of this problem that so vitally concerns the consuming public, that so vitally concerns agriculture and business, generally, throughout this country, to have this whole discussion sink to the low level of mere partisanship and mere party politics.

I agree with the distinguished majority leader that this whole question should be approached from the standpoint as to what is going to be best for agriculture, what is going to be best for the consumer, and what sort of a program we can adopt, if any, that is going to relieve ourselves of the inequities and the injustices and the discriminations that have been practiced in the past.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. HERTER. Mr. Speaker, I yield 8 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Speaker, in connection with this bill, which will come up for consideration after the rule is adopted, it is my intention to offer an amendment to both sections; first, to the 1938 act, and then to the Commodity Credit Corporation Charter Act. The amendments will be identical, and will be substantially in these words:

(1) In order to prevent the waste, the Corporation is authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school lunch programs; and the Bureau of Indian Affairs, and Federal, State, and local tax-supported institutions, such as hospitals, or-

phanages, schools, penal and mental institutions, and public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States; fourth, to intergovernmental or international nonprofit welfare agencies, for assistance to needy persons outside the United States. The Secretary of Agriculture shall first determine that such commodities are in ample supply over and above such reserves as may be required and demanded in the public interest. The Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation, or shall be empowered to deliver them abroad when necessary. The Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months' storage costs on any such commodities turned over.

Yesterday, in a special order, beginning at page 3947, I included a good deal of factual material bearing on this proposed amendment. As I indicated, I discussed it fully before the Committee on Agriculture yesterday morning, and I was very much pleased with the cordial and sympathetic reception that the members of the committee on both sides of the aisle gave to the suggestion. I am hopeful that they will see fit to support the amendment this afternoon.

I explained in my remarks yesterday that although there is a somewhat similar provision in the omnibus appropriation bill which will be before us I am fearful that that may go out on a point of order. Consequently, I think the most direct and the most immediate approach that can be made is to provide this change this afternoon in the basic law itself.

I call attention to the fact that in the Charter Act there are some six or seven specific powers enumerated. One of them, (d), is to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities. So this really does not do much more than to spell out the method by which this distribution can be undertaken.

Just a word about the situation which confronts us. I know there are some who raise the question of whether we do actually have these commodities in excess of our needs. I said yesterday that I thought it was pretty clear, certainly on some commodities, that we have more than satisfactory carry-overs. For instance, we have sufficient prunes to give every Member of Congress a dish for breakfast until approximately September of the year 3239. That is rather startling.

I have listed the places where these commodities are located, that is, as far as States are concerned. I think you will understand that the removal from those places even to central spots in the States or, as the gentleman from California [Mr. WHITE] has suggested, even to county seats, would only partially do this job.

It seems to me that all communities and all needy people in our communities should be on the same footing as far as the use of these wholesome foods is concerned.

I placed in the RECORD yesterday statistics on the Commodity Credit Corporation, schedule 14, as of December 30, 1949. That is on page 3948. I have in my hand a release of March 3, 1950, giving the status of the price support program. I think these figures are of great interest to all of us.

We had on January 1, 98,675,801 pounds of butter. On January 31, we had added another 2,000,000 pounds, so we then had 100,736,962 pounds. I do not think anybody will dispute the fact that butter does become rancid if kept in storage any length of time.

Dried milk: The first of the year we had 259,801,803 pounds. In 1 month's time we had jumped that to 274,723,846 pounds.

I attempted to make an estimate in my remarks yesterday before the Committee in Agriculture, and in my remarks here on the floor as to what the carrying charges were for the first half of the fiscal year 1950, and it came to \$10,785,128. This means we are spending, on just these 14 or 15 commodities, which are spoiling or can spoil, at the rate of \$59,917 every 24 hours. To me, that just does not make sense. It seems to me the limitation I placed in this suggested amendment is one we need so that there will not be an expenditure beyond what we have given the Commodity Credit Corporation.

To those of you who are concerned as to whether this might affect an additional \$2,000,000,000, I think it is amply clear that it would not. It does not touch it. It only transfers funds from one hand to the other. It makes use of it. It takes a load off the taxpayers' back. It will get these few commodities out into the hands of people who could and would eat them. I maintain that it is sound.

I hope very much that any of you who have not had an opportunity to give any consideration to the amendment will glance at some of the figures, these startling figures, that I put in the RECORD yesterday.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. KEATING. I agree with the gentleman on the point that we should not rely entirely upon the proposed provision in the omnibus appropriation bill which is coming in. I entertain the same fear that the gentleman does, that it may be eliminated on a point of order. Is it not also a fact that that provision in the appropriation bill relates to the disposition of these surplus food commodities only to public welfare agencies whereas the amendment which the gentleman is going to offer here will also make it possible to deliver this food to private welfare agencies?

Mr. HESELTON. The gentleman is correct, and it is also definitive in the sense that it utilizes only section 32 funds, while this utilizes the complete fund.

I might add one further thing in that connection. I have just talked with New York, to the directors of UNICEF and CARE, and they have given me some startling figures of what they could use



if they could get it, all over Europe, and they told me they are getting behind the curtain into China. I can think of nothing which would have a greater psychological effect on the people of China than for us to send American packages of food into those areas.

Mr. KEATING. I agree with the gentleman entirely.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. HESELTON] has expired.

Mr. HERTER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

#### TRIAL RUNS

Mr. MURRAY of Wisconsin. Mr. Speaker, we have witnessed a public resentment of the price-support program in the press and on the radio. While some administrative procedures may be subject to criticism the fact remains that the support program is nowhere near as objectionable economically as it has been pictured.

It should be evident that a support program will be accompanied by large appropriations unless first, there is some control over domestic production as to the amount to be supported; and second, there must be some control over imports of competitive agricultural products. If we are to continue to support the price for twice as much cotton as the United States needs and 50 percent more wheat than the United States consumers need or consume, it will take increasing amounts of the taxpayers money. If we import competitive agricultural products at the rate of \$1,500,000,000 per year like we did last fiscal year it should be apparent that these imports are really being supported and that the American farmer is to be allowed to produce less and less on his own acres.

A modernized McNary-Haugen approach, and a more keen interest in the FAO proposals are surely in order.

As proof of the danger of a trial run, I include the following official table from the Bureau of Agricultural Economics:

*Specified commodities: Average prices, United States, 1929-49*

	Hogs, per hundred-weight <sup>1</sup>	Beef cattle, per hundred-weight <sup>1</sup>	Calves, veal, per hundred-weight <sup>4</sup>	Eggs, per dozen <sup>1</sup>	Cheese, per pound <sup>2</sup>	Milk for cheese <sup>3</sup>
1929.....	\$9.54	\$9.53	\$12.16	\$0.321	\$0.202	\$1.84
1930.....	8.87	7.87	9.68	.251	.164	1.49
1931.....	5.80	5.60	6.95	.186	.125	1.07
1932.....	3.39	4.27	4.95	.160	.100	.81
1933.....	3.50	3.73	4.64	.153	.102	.91
1934.....	4.22	4.10	4.92	.184	.117	1.00
1935.....	8.75	6.21	7.16	.241	.143	1.27
1936.....	9.34	5.90	7.20	.230	.153	1.42
1937.....	9.73	7.01	8.10	.217	.159	1.48
1938.....	7.80	6.57	7.90	.213	.126	1.16
1939.....	6.31	7.13	8.40	.184	.128	1.14
1940.....	5.42	7.48	8.83	.191	.143	1.30

<sup>1</sup> United States average prices received by farmers.

<sup>2</sup> Plymouth, Wis., Cheese Exchange, "twins" prior to September 1939—subsequently "cheddars," as reported by the Dairy Branch, Production and Marketing Administration.

<sup>3</sup> Weighted annual average price received by farmers for milk at cheese factories, Wisconsin.

<sup>4</sup> Weighted calendar-year averages.

Source: Bureau of Agricultural Economics.

*Specified commodities: Average prices, United States, 1929-49—Continued*

	Hogs, per hundred-weight <sup>1</sup>	Beef cattle, per hundred-weight <sup>1</sup>	Calves, veal, per hundred-weight <sup>4</sup>	Eggs, per dozen <sup>1</sup>	Cheese, per pound <sup>2</sup>	Milk for cheese <sup>3</sup>
1941.....	\$9.14	\$8.75	\$10.30	\$ .250	\$ .194	\$1.82
1942.....	13.10	10.60	12.30	.314	.216	2.04
1943.....	13.80	12.00	13.30	.387	.232	2.48
1944.....	13.10	11.00	12.40	.338	.232	2.53
1945.....	14.10	12.20	13.10	.390	.232	2.52
1946.....	17.30	14.40	15.30	.392	.348	3.42
1947.....	24.20	18.50	20.40	.464	.360	3.45
1948.....	23.30	22.40	24.40	.480	.407	4.01
1949.....	18.50	19.90	23.30	.455	.304	-----

<sup>1</sup> Simple average of 12 monthly prices.

A study of this table will show the price relationship of the principal protein food. The average price of beef and veal correspond rather closely with the price of hogs under natural market conditions. In 1942 when the hog price support was established at a point above parity the price relationship was out of line with beef and veal. Later all prices were fixed by the OPA and the price relationship was rather constant. In 1948 and 1949, you will note the price relationship indicates how the average of the beef and plus the veal price is practically the pork price. In the prewar prices you will note the same price relationship.

The point is that, as some farm spokesmen have pointed out, the price support on one agricultural commodity especially a competing commodity of itself causes a chain reaction.

In other words, advocates of a trial run on a certain commodity like hogs for example, may cause great dollar losses to the beef, veal, egg, and cheese producers as all these protein foods are competitive in the market place. The hog producer may or may not have a satisfactory return out of a low price and compensatory payments to the producer, but the producers of these other protein foods will be subjected to a lower price without the compensatory payments.

It should be pointed out that in 1942 to 1946 there was a consumer subsidy of 3¾ cents per pound on cheese that would or should be added to the Plymouth price. This notation is made by me to keep the milk prices for cheese in relation to the Plymouth price of cheese in the correct relationship.

Mr. Speaker, I would not care to start a discussion on the Farmers Union plan or the Farm Bureau plan or the Grange plan or Brannan plan or any other farm plan in 3 minutes.

I would like to call the attention of the distinguished majority leader, Mr. McCORMACK, however, to the fact that while I do not know why other people voted against the trial run as proposed last year in the agricultural bill, I do know the reason I opposed it. I opposed it because I figured the Eighty-first Congress had done enough to the dairy business without me helping them to do any more to it. However, it should be evident, and I think it should be evident to anyone who could get elected to Congress or at least to become a member of the Committee on Agriculture, that a chain reaction takes place in the market place

between different foods. This is especially true of the protein foods for example. Under the Pace bill eggs were one of the products which were going to have that trial run. I assure the majority leader I did not oppose it for any political reason. I opposed it because I know for the last 25 years, the close relationship between the price of hogs, the price of beef, the price of veal, the price of eggs, and the price of cheese. I do not want to see the price of eggs, and I do not want to see the price of pork, and I do not want any single farm product to drop in price without some protection being provided for the price of competing food products.

The producers of the product selected for a trial run may or may not be protected by compensatory payments, but how about the competing products without any provision for compensatory payments for them? A straight across the board is one approach and a trial run on only one, or a few products, may be proved to be very unfair and unwise.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. McCORMACK. The gentleman will note that while I like politics and like to talk politics I did not discuss politics when I spoke a few moments ago.

Mr. MURRAY of Wisconsin. Yes.

Mr. McCORMACK. I was discussing the courage of Secretary Brannan. This is a problem which has got to be met in some way in the interest of the farmers of the country, and in the interest of the consumers. I agree with the gentleman from Wisconsin [Mr. KEEFE], on the basic question that this is something in the interest of our economy as a whole which should transcend politics. When I spoke about that, I was not talking politics. I deliberately refrained from talking politics, much as I like to get into a political discussion.

Mr. MURRAY of Wisconsin. That is good. I appreciate that. I think someday I ought to address the House for about a half hour and discuss the farm program and the good things and contributions which have been made by the Democrats in the farm program. They seem to forget that the good things we have and what we have obtained by co-operating. We have had nonpartisan and nonpolitical agricultural support programs ever since 1941. Regardless of all we have read in the papers, we should take the time to analyze this very question here today in regard to perishables. I have found that there were less than \$200,000,000 worth of perishable-food products and about \$2,700,000,000 worth of nonperishables. I also found that a little crop like flax accounted for over \$200,000,000. So, maybe in the interest of the taxpayers, it would be better if we paid attention to the \$2,700,000,000 worth of nonperishables and not get so exercised about the less than \$200,000,000 worth of perishables.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to my distinguished colleague the gentleman from Ohio [Mr. YOUNG], our Congressman at Large.



Mr. YOUNG. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, people sometimes ask whether Communists occupy important Government positions and express fear that spies have infiltrated into Government circles in Washington. Directly following the surrender of the German armies in Italy, when I was allied military governor of the Province of Reggio Emilia, Italy, I had bitter experiences with Italian Communists under Soviet influence. I came to despise and fear Communists and communism.

A publicity-seeking Member of the other body almost daily has been making claims of communism in Government. Those present or former minor Federal officials or employees named by him have repudiated his accusations. It appears to me he is seeking headlines by making irresponsible charges. Here are the facts: 17,000 thousand individuals are employed in the Department of State. No person occupying any important position in the Federal Government is a Communist, or a spy for any foreign power. Such assertion can be made definitely and with assurance despite headline hunters' unsupported claims to the contrary.

Gen. Dwight Eisenhower said:

This country has done pretty well at keeping its major secrets to itself.

Of course—

He said—

we can get hysterical about a spy scare. But our Government is aware of these things and I don't believe the dangers are great.

The State Department and every agency of the Federal Government has its own security force. Every old State Department employee has been screened and every applicant for employment in the State Department has his loyalty thoroughly investigated before employment. These security officials maintain close contact with the FBI. When there is any doubt about the loyalty of a State Department employee, this case is taken before a Department loyalty and security review board. Then, above these boards is a court of appeals in the form of an over-all Government loyalty and security board. The Department of State loyalty board is headed by Conrad E. Snow, Republican, of New Hampshire. Senator STYLES BRIDGES, Republican, New Hampshire, recently said:

Mr. Snow is an able and vigilant defender of America against subversive influences.

Then, the top Loyalty Review Board of our Government is headed by Seth Richardson, a Republican, who was Assistant Attorney General during the Hoover Administration.

Those rabble rousers, who seem to see Communists and spies under every bed in Washington, remind me of that couplet:

Last night I saw upon the stair

A little man who wasn't there.

He wasn't there again today,

Oh, how I wish he would go away!

Mr. HERTER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Speaker, I want to join in what the gentleman from Massachusetts [Mr. HESELTON] had to say about his proposed amendment to this bill. I do so even in view of the fact that his amendment will supplant that which I was successful personally in inserting in the omnibus-appropriation bill.

In reference to the paying of the handling and freight charges on these surplus, perishable commodities and shipment to various counties for distribution by welfare groups, I may say that this provision is absolutely necessary unless we are willing to see good food go to waste. Thousands of good Americans are unable to buy enough food for their needs. Personally, therefore, I am more than pleased to withdraw my amendment when the time comes, if the proper committee of this Congress accomplishes what I am trying to do. I have always opposed any effort by the Appropriations Committee to legislate, but in this particular case, realizing that unless we do something about placing into consumption channels those perishable surplus commodities, we will always have trouble with our farm program. I have urged the Committee on Appropriations to give the needed authority to the Secretary of Agriculture.

I am delighted to see the gentleman from Massachusetts [Mr. HESELTON] proceed along the lines he has suggested, and I hope this body will give earnest consideration to his amendment.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. HERTER. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RICH].

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Speaker, if this rule passes, we will consider a resolution which involves the expenditure of \$2,000,000,000—think of that, \$2,000,000,000—two thousand million dollars more for commodities. We all know what has happened to the commodities that have been bought during the last year. How much has gone to waste? How much of these perishable items have been destroyed when the people of the country were looking for food? When the people were wanting potatoes we go to foreign countries, buy potatoes, bring them in here, sell them, and allow our domestic potatoes to spoil. A very poor business for the American people—for the American taxpayer it is a headache.

Mr. Speaker, I want to call attention to the fact that on yesterday the representatives of the Junior Chamber of Commerce of the United States came to Washington with a petition signed by 3,000,000 people of the United States asking that we economize so far as Government expenditures are concerned. Those boys were interested in trying to secure economy and a balanced budget. They came here with a petition signed by

3,000,000 people making that request. Why? Because they want to save this country. They want to keep this country in a sound financial position so that this Congress which is now squandering money to the tune of four or five billion dollars more than it is taking in will not bankrupt their country in future years.

When those boys came here and presented that petition with 3,000,000 signatures they were thinking: We cannot endure this Congress which is not trying to balance the budget and is letting the debt come on to us. We will be sunk if we do not stop this spending and spending. They are worried and rightfully so.

Mr. Speaker, I say that we should stop, look, and listen before we appropriate \$2,000,000,000 more for the Commodity Credit Corporation to buy food and to help one branch of our economy. To me it is a very bad thing to do; it is wasteful, it is extravagant, it is ruinous, it is unsound legislation. The potato farmers of the State of Pennsylvania passed a resolution the other day stating that they did not want any more Government regulation, any more potato subsidy; they did not want any more of this potato subsidy money. Our farmers in the State of Pennsylvania want to go out and work, earn money, save and sell their potatoes in the State of Pennsylvania and the rest of this country. They do not want the Commodity Credit Corporation to go out and buy these potatoes, put them on a pile and burn them, while at the same time potatoes are being imported from Canada and other countries of the world at a lower price than our support price. We ought to be furnishing the potatoes that we grow to ourselves. This applies to other commodities. Soon we will not have jobs nor food nor money.

Mr. Speaker, this is getting somewhat exasperating. In my judgment, it is getting rotten. You Members on that side are responsible for the situation. You have no business going ahead and squandering the money and expect your children and your children's children to pay something that we are not able to pay off ourselves. It is stealing from our children. At this time when the people of the country are working and trying to make something for themselves you are permitting foreign countries to come in here and take the markets that belong to our farmers. It is not fair, it is not right, it is not just, it is not honorable, I do not know of anything good in it. Why do we not wake up and try to protect our children? Protect them from a bankrupt Government.

Mr. Speaker, there are people all over this country who are in sympathy with the things I am trying to preach. The taxpayers of the country will wake up next November, as was said yesterday by the gentleman from Massachusetts [Mr. McCORMACK], the majority leader, when he tried to force down the throats of the Members of Congress a bill. You are in pretty bad shape. It shows to what extent this administration will go to put through its raw deal, New Deal program.

Wake up, voters of your country and protect your Nation. Do not vote for Congressmen who take you into bankruptcy by squandering our resources.



The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. HERTER. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to speak out of order, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[Mr. AUGUST H. ANDRESEN addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Speaker, I do not want to take too much credit away from the Republican Eightieth Congress, that so-called worst Congress. Let us give them credit also for passing oleomargarine legislation in the House. The gentleman who just preceded me says the Eighty-first Democratic Congress passed oleomargarine legislation in payment of campaign promises. I ask what debts were the Eightieth Congress paying when the House repealed Federal taxes on oleo?

Mr. McSWEENEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, all I have to say about this proposed piece of legislation, which will give the Commodity Credit Corporation two billion more dollars, is that it is an extension of a program which is not working for the best interests of the average farmer. The people of this country are becoming more and more convinced that the farm program is not working, and the farmers of the country are becoming more and more convinced that this is true. I do not know what the answer is, and I do not say that the Brannan plan is the solution. But I do say, as I said to about a thousand farmers in my district at soil-conservation meetings some days ago, that we, the farmers of the United States, had better start doing a little thinking, and we had better come up with a plan which will not only protect the farmer but will also protect the consumers, or the consumers are going to get mad, and they are going to elect a Congress which will do away with all farm programs.

As I said before, I do not know all the answers to the farm problem, but being one of the few practical farmers who are Members of this Congress, I think I am qualified to say that the present program is mainly protecting the big farmer at the expense of the family-sized farm, which is the backbone of America. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] mentioned a moment ago that this Congress had passed the oleo bill. I would like to say that the Eightieth Congress also passed this bill in the House, and when the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] tries to lay the blame on one party, he is not being quite fair, because, as he well knows, I voted against allowing oleo

to be sold colored and voted against the oleo bill every time I had a chance. A few minutes ago this House passed, by a vote of 196 to 156, a conference report which will increase the cost of the cotton program and the peanut program by over \$1,000,000,000. I was very happy to note that most of the Representatives from Ohio voted against this, because at long last the Congressmen from Ohio are realizing that every time we add another 5,000,000 bales of cotton to the surplus, as this bill would, we are adding nearly another billion dollars in taxes on our people. The kind of farm program which keeps prices high makes the taxpayer pay for surpluses, while his food is extremely high, and then causes the surplus to be lost or destroyed, cannot be justified, in my opinion, on either moral, economic, or political grounds. It is time that the farm program ceased being a political football, and that the Congress quit voting for or against farm legislation on the basis of who sponsors it. What this country needs is an honestly conceived farm program designed to keep the farmer's purchasing power at a high level while guaranteeing wide distribution at a fair price of his products. I believe that this country has the wisdom to solve this problem, but not by stopgap legislation of this kind. I will vote for this program with great reluctance only because it is better than nothing at all.

[Mr. HAYS of Ohio asked and was given permission to revise and extend his remarks.]

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. FURCOLO].

Mr. FURCOLO. Mr. Speaker, with reference to the remarks made by the gentleman from Wisconsin [Mr. KEEFE], I think his attitude of wanting to know something about the Brannan plan is extremely commendable. I listened to the various places he mentioned where he sought information. It seems to me that there were one or two other places where he could have sought information.

Judging by newspaper editorials, statements by columnists and radio commentators, we must assume that they apparently have an extremely good knowledge of the Brannan plan from the terms they have applied to it, calling it a monstrosity, atrocious legislation, and so on.

With the sincerity that they have, the public duty and the public trust that they have, we must assume, of course, that they would not apply such terms without having full knowledge of all the details of the Brannan plan. So it is possible that the gentleman from Wisconsin [Mr. KEEFE] may be able to ascertain exactly what it is by checking with all those people who apply such epithets to the Brannan plan.

Even if no one in the Department of Agriculture knows its details, even if no one on the Agricultural Committee knows, even if no one in Washington knows, apparently all the editorialists and columnists and radio commentators are well informed about it. They must at least claim full knowledge because they do not hesitate to describe it as a

monstrosity and an atrocity. They are not keeping faith with the public if they so describe it without full knowledge of the plan.

So, I suggest to the gentleman from Wisconsin [Mr. KEEFE] that he ask them where they have obtained their information and knowledge. They can either explain the Brannan plan to him in detail or, if they have also been unable to ascertain what it is, they perhaps can explain the basis for the descriptive epithets they have applied to it.

Mr. McSWEENEY. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

[Mrs. WOODHOUSE asked and was given permission to revise and extend her remarks.]

Mrs. WOODHOUSE. Mr. Speaker, the bill before us to increase the borrowing power of Commodity Credit Corporation must be passed if CCC is to have adequate funds for the discharge of the responsibilities placed upon it by existing price-support legislation. I was not in agreement with this legislation as it passed the Congress last year. Many of the problems we are facing might not have arisen if the bill reported out by the House Committee on Agriculture had been accepted rather than the substitute. But that is history. By passing this legislation we have taken on a moral commitment to certain farmers, American citizens, and it behooves us to pass H. R. 6567 and fulfill these commitments.

I shall vote for this bill, at the same time regretting the necessity for so doing and in the hope that before too long we will have on this floor legislation which will modernize and improve our agricultural program. In any new legislation it seems only fair to ask that agriculture in Connecticut receive due consideration. We are thought of as a purely industrial area. Our agriculture is forgotten. True in volume it is small in comparison with the volume of the entire country, but to us it is an important factor in our economic life.

New England pays a very heavy proportion of the Federal taxes. The tea party in Boston was a protest against taxation without representation. When I consider the situation of the poultry producer and dairymen in my own district in eastern Connecticut, I wonder if the time has not come for an egg-and-milk party in protest to the treatment accorded us in the current agricultural program.

Our egg, chicken, and dairymen are small producers in relation to those in other sections of the country. They think in terms of human food and are proud of the high quality of their product. They do not want subsidies. They are not asking for price supports. They want to sell their products in the open market at prices the city consumer can afford. They want their eggs, milk, and chicken on the table before a well-fed family with healthy rosy-cheeked children. They do not want their eggs and milk dried and stored.

But they do want grain at a price which will enable them to sell their products and still make a decent living.



They are not asking to get rich. If they wanted great wealth they would not continue on their family-sized farms. They are good, substantial citizens. All they want is fair treatment on feed prices.

The situation is not the fault of the Department of Agriculture. In April 1939 the Department asked for certain legislative authority which was not granted. As an illustration of the deteriorating situation the egg-feed ratio in December 1945 was 15.5. This has declined to 11.2 in December 1949. The same trend is appearing in the milk-feed ratio. Egg and milk prices are down. Feed prices, due to high-level supports, stay up. I have introduced an amendment which would remedy this situation.

In brief, the time has come when we must have an agricultural support program which will not only give the necessary backing to the growers of basic commodities but which will be completely just to the family-sized farm, which will consider the needs of the farmer-consumer of feed such as the Connecticut poultrymen and dairymen, and which will let food find its way into the free market so that the city consumer can afford to purchase it in amounts adequate for good nutrition.

I am certain that we can develop such a program from the suggestions which have already been put before various committees of the Congress. We should have such an agricultural program on the statute books before this Congress adjourns.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McKINNON. Mr. Speaker, our policy of farm support prices has obviously been of great value to most of our farmers and to our national economy as a whole. I have supported it and I wish to continue to support it. In good conscience, however, I cannot continue my support unless the Committee on Agriculture and the Congress as a whole take steps to correct inequities which are driving California poultry and egg producers into bankruptcy.

Price of feed in southern California is the same now as when eggs were bringing 60 cents a dozen wholesale. Presently eggs have declined to 39 cents a dozen for large grade A eggs and poultry prices are down 8 to 10 cents a pound. How can poultrymen keep going under the circumstances?

The following news story from the San Diego Daily Journal explains the critical condition:

#### FEED COSTS, PRICE DROPS PERIL EGG MARKET

San Diego County poultry and egg producers are facing a financial crisis which only the strongest may survive.

This was brought out last night by Ralph M. Sexauer, manager of the San Diego Poul-

try Association, at a meeting of agricultural leaders.

Sexauer said the Government's reduction of support prices on eggs from 90 to 75 percent of parity without a corresponding cut in feed prices has sent the market into a nose dive.

Since December 1, he added, retail egg prices have dropped 22 percent. This equals a cut of 10 cents a dozen, bringing farmers' returns to 35 cents a dozen, or less than cost of production.

Housewives in San Diego now pay 44 cents for grade AA Midwest eggs and 52 cents for grade AA locals.

For the past 8 years support prices have been given only to the market in the Midwest, which has 90 percent of the Nation's production.

The effect, however, has been to bolster prices for San Diego County producers, Sexauer pointed out. He said a number of persons have gone into the business locally in that period, many investing their entire capital.

"Now," he explained, "only the best capitalized and most efficient operators can stay in business."

As an example of dangers facing producers, he cited one family which invested \$24,000 and now has exhausted all capital and credit.

Publicity given the Government-held egg surplus was attributed by Sexauer to reduction of the support price.

The Government faces financial loss because of its deliberate move to cut egg production, Sexauer said. He declared many veterans who obtained Federal loans to enter the business probably will go bankrupt.

It is imperative that the Department of Agriculture and the committee take notice of this distress and correct it immediately.

Mr. McSWEENEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, I disapproved of the repeal of the taxes on oleomargarine and still more of its being sold in a yellow color in imitation of butter. I fought it to the very bitter end and voted against it as long as I had an opportunity to vote against it. But I do want to remind my distinguished colleague the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who represents a farm district, that even though we now have the taxes repealed on oleomargarine, butterfat is worth approximately 60 cents a pound in the United States. I also want to remind him that the last can of cream I sold under a Republican administration, the butterfat in it brought me 9 cents a pound, which is just 51 cents a pound less than my butterfat is worth today. So while I need relief from oleo, I cannot go to the Republican Party and hope to get it there.

Mr. McSWEENEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of the bill H. R. 6567, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, there is but one question involved in the consideration of this bill and that is the extension of the borrowing power of the Commodity Credit Corporation to continue the support prices on agricultural products as provided by existing law.

The Commodity Credit Corporation was organized in 1933 when we were in the depths of the depression. There was no question of inflation in those days because the dollar had a high purchasing power. The great trouble was that few people had the dollars.

At the time the Commodity Credit Corporation was organized, wheat was selling at 32 cents, corn was selling at 18 cents, cotton was selling at 4 cents-plus, tobacco was selling at about 9 cents, milk was selling at \$1 per hundred-weight, and all the other agricultural commodities were selling at comparable prices.

Farming is the great basic industry of our country. We are more dependent upon the farmer than on any other segment of our society, because our people must be fed. Unless we can keep the farmer on the land we will not be fed. It has been said that if the farms were destroyed grass would grow in the city streets, and that is true.

I have always contended that there is no real difference in the objectives desired to be achieved by the people of the city and the people of the country. Prosperity either comes to America and covers it like a blanket or depression falls upon all of our people. There is no argument which can be adduced that the people of the city should take one attitude with reference to legislation and the farmers should take another. The farmer cannot produce for the market as the industrialist can. He is dependent upon the changes in the seasons, upon pests and a hundred other contingencies which may destroy or may increase his crop. Not being able to produce for the market, a device was found by which he could be assured of a reasonable price for his products. This is the instrumentality that the Government has offered to the farmer. If it is not perfect, I would like somebody to find a better method, because it is essential that some means be found to stabilize this great industry.

Of course, we do find some weaknesses in it. The only means by which prices may be maintained is by loans and by purchases. When the loans are made upon perishable commodities, the security for that loan soon vanishes.

When purchases are made the thing that has been purchased loses its value. So, in some instances it is difficult to meet the conditions which present themselves. But you can see what has been accomplished for the farmers of America by this instrumentality.

Since the time of its inception the farmer has been reasonably prosperous.



We have gotten out of the depression. At that time all the banks were closed and the Federal Deposit Insurance Corporation law was passed which gave an assurance to the people that their money would be returned to them if financial disaster came to the organization in which they deposited their money. It gave them an assurance, and it gave a stabilization to the banks of America which they otherwise would not have.

So this, too, gives an assurance to the farmers and a stabilization to his industry.

I think it is absolutely essential as a complement of that that the people engaged in labor should have a reasonable wage in order that they can pay the price for agricultural products which it becomes necessary to pay by reason of this support-price program.

Although there may be apprehension of inflation, I think we are in a very much better state today when the dollar does not purchase so much but when it had velocity and when the people have the dollars rather than in that era of depression when the dollar had great purchasing power but had no velocity and few people had enough to buy the necessities of life.

The act creating the Commodity Credit Corporation was a great constructive piece of legislation. It was a benefit to a certain class, the producers of our food.

I hope no amendments will be offered to this bill which will weaken this corporation in the functions which it was intended to perform. I know in every instance when an organization of this kind is created there are always people dealing with it who desire to get some advantage for themselves. I believe there may be some amendments offered to the bill.

I want you to remember, if you represent an agricultural district, and to keep in mind, the interest of the people you represent and not be led by specious arguments that there are other segments of society that have a greater interest in this bill than the people for whose benefit it was drawn up.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KEATING. I note from the report that the estimated amount which the Corporation is likely to need for price support through the fiscal year 1951 amounts to \$5,300,000,000 and the amount of the present borrowing authority of the Corporation is \$4,750,000,000. While I appreciate that the first figure is subject to some variation, does not the gentleman feel that the Corporation would have ample authority to handle its operations under the price support program by an increase of \$1,000,000,000 rather than an increase of \$2,000,000,000?

Mr. SPENCE. The Secretary of Agriculture said in order to carry out the program, in order to assure the farmers that this program will be carried out, it was essential to increase the borrowing capacity by \$2,000,000,000.

Of course if there is no necessity for the \$2,000,000,000 he will not have to borrow it.

Mr. KEATING. That is true.

Mr. SPENCE. But he would like to be able to give the assurance to the farmers that it will be carried out.

The present borrowing power is \$4,750,000,000. The outstanding investments are \$2,703,000,000. The outstanding obligations are \$928,000,000. This leaves a balance of \$3,119,000,000. These things are subject to contingencies in the variation of crops, which no man can foresee. If we are going to have a program which will give assurance to the farmer we must have sufficient funds to carry out the program.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. It does not make any difference whether it is one billion or two billion, this Congress has passed a law known as the farm program. If it takes one billion to carry it out the Department will not need more, but if it takes two billions to carry it out, then half that sum is not sufficient.

Mr. SPENCE. The gentleman is correct.

Mr. BROWN of Georgia. That is a scarecrow that is being set up there. The extra money cannot be spent unless it is needed, but if it is needed then it will be there. We have solemnly said that this was a program we were going to carry out by loans. No person can tell at this time how much the farmers will borrow. Some farmers may borrow none whatever; other farmers may borrow in varying amounts. It should be borne in mind that although the money is available it cannot be wasted, for it cannot be used except to carry out the program ordered by the Congress last fall.

Mr. KEATING. Mr. Chairman, will the gentleman yield at that point?

Mr. SPENCE. Mr. Chairman, I decline to yield for the moment.

Mr. Chairman, feeding the American people is not a partisan question, and there ought to be no partisanship about it. In the Eightieth Congress the functions of this organization were so weakened that they could not carry out the support price because they did not have the authority to acquire the storage capacity for the commodities. I hope that we may pass this bill so that the functions of this organization will not be weakened and diminished and that it may carry out to the fullest extent the purposes for which it was organized.

Mr. KEATING. Mr. Chairman, will the gentleman yield at that point?

Mr. SPENCE. I yield.

Mr. KEATING. Of course, under the very figures which the Secretary of Agriculture himself has given us, if we were to increase the borrowing capacity by \$1,000,000,000, there would still be a leeway of several hundred millions which the Secretary of Agriculture would have. Why increase it to make it one billion several hundred millions instead of several hundred millions?

Mr. SPENCE. Because of the very nature of agriculture and the absolute impossibility of knowing in advance the extent of the crops. The Secretary has

said—and I believe he presented very good arguments to the committee—that in order to be safe to carry out his program he needed \$2,000,000,000, but that he might not have to use the full amount; that if he did not need it, he would not use it. I hope you will sustain him. Why not give him the wherewithal to assure the farmers of America that the program will be carried out and that the promises made to them will be kept?

Mr. GAMBLE. Mr. Chairman, I yield 25 minutes to the gentleman from Kansas [Mr. COLE].

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. GAMBLE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Baring	Hall	Peterson
Bennett, Fla.	Leonard W.	Plumley
Bennett, Mich.	Harvey	Potter
Bentsen	Hébert	Powell
Boggs, La.	Hill	Rains
Brown, Ohio	Hinshaw	Ramsay
Buckley, N. Y.	Hoffman, Ill.	Reed, N. Y.
Bulwinkle	Hoffman, Mich.	Riehlman
Burdick	Holifield	Rivers
Byrne, N. Y.	Irving	Sabath
Carlyle	Jackson, Calif.	Sadowski
Cavalcante	Jonas	Saylor
Celler	Jones, Mo.	Scott, Hardie
Chatham	Kennedy	Shafer
Chipfield	Kruse	Sheppard
Chudoff	Lichtenwalter	Short
Clemente	Lucas	Simpson, Pa.
Cox	Lyle	Smathers
Crawford	Macy	Smith, Ohio
Curtis	Miles	Smith, Va.
Davis, Tenn.	Monroney	Thomas
Douglas	Morrison	Towe
Doyle	Morton	Wadsworth
Engle, Calif.	Multer	Whitaker
Fisher	Murphy	White, Idaho
Fugate	Nixon	Wilson, Ind.
Gilmer	Norton	Withrow
Granger	O'Neill	Worley

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6567, and finding itself without a quorum, he had directed the roll to be called, when 334 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Kansas is recognized for 20 minutes.

Mr. COLE of Kansas. Mr. Chairman—

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Illinois.

Mr. YATES. I heard the gentleman's statement yesterday that he was from a rural region. I must confess that I am a city boy myself, and the only thing that grows in my district is children, so that try as I may to understand the present farm program, more and more I feel like Alice in Wonderland. I, too, feel that I am wandering through a wonderland of amazing, tremendous figures. Upon looking through the report ac-



companying this bill the multiplication of the figures, reminds me of the wonderful rabbit of Alice in Wonderland, the Mad Hatter. I should like particularly to draw the attention of the gentleman to page 4 of the report in which it is pointed out that a number of individuals—individuals—have received at least half a million dollars under the price-support program. In conversation with other Members I am given to understand that some individuals have even received as much as a million dollars in a single year under this program. If this be true, is this farm-price support program a program for the few or a program for the many? I notice here also that the report states that it is the purpose of the committee to follow up this proposition. What does the committee propose to do about it?

Mr. COLE of Kansas. This price-support program, of course, is a program for the many. The problem which the gentleman raises, quite truthfully, is a very perplexing one in connection with tremendous payments made to certain individuals. Five hundred thousand dollar payments have been made to some individual farmers cooperating under the program. An attempt was made in the committee to determine how many received such payments; request was made that the committee be furnished a list of those receiving them. We were told by the Secretary of Agriculture that it would be impossible to divulge the names of the people who received the large amounts, but that probably a list would be submitted. I remember that our ranking Member, the gentleman from Illinois [Mr. Wolcott] informed me that he was later advised that it was impossible for the Department to furnish even a list of the number of people receiving those great payments.

I believe that the price-support program is a good program, although these large payments raise important issues and that it should be investigated further not only by our committee but also by the great Committee on Agriculture.

If I may proceed now without interruption, I wish to call the attention of the House to an interesting and important problem with respect to the Commodity Credit Corporation. I intend to offer an amendment to the charter of the Commodity Credit Corporation which will raise the issue about which I desire to speak this afternoon. This amendment has to do with the authorization and power of the Corporation in connection with its operation of the price-support program as it affects the grain trade.

Mr. Chairman, an interesting thing about my amendment is that the objective sought is wanted by everyone; everyone admits that is a proper objective. The amendment seeks to prevent the Commodity Credit Corporation from supplanting private business, and farmers cooperatives. That the small-business men and farmers in the grain trades be not supplanted, and not put out of business. Everyone is agreed that this objective is proper. The only question involved is how the objective may be attained.

In pointing out this problem I wish to call attention to the fact that in title II of the Research and Marketing Act of 1946, the Seventy-ninth Congress declared its policy to be as follows, and I quote:

A sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation.

Later, the Congress passed the charter of the Commodity Credit Corporation which provides in section 5 that that Corporation shall to the maximum extent practicable consistent with the fulfillment of the Corporation's purpose and the effective and efficient conduct of its business utilize the usual and customary channels, facilities, and arrangements of trade and commerce. That charter was amended in 1949, and the same policy was expressly reaffirmed.

It said:

Nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities.

When Secretary of Agriculture Brannan was before the committee, I asked him:

Do I understand the Department has taken the position that the Department of Agriculture does not want in any way either to compete with or supplant private industry in the grain-storage business?

The Secretary answered:

That is entirely correct.

Mr. Chairman, I now want to call your attention to the attitude of some of the great farm organizations in respect to this particular problem. Before I do so, I want to make it clear that the amendment which I am discussing today will not be directed at the storage or the warehousing problem. It has to do solely with the grain-trade problem.

Mr. Sanders, of the National Grange, appeared before our committee and testified. His evidence is shown on page 88 of the hearings, where he stated:

Witness the present shameful waste of potatoes, dried eggs, and milk. Yet these current acute problems are but a drop in the bucket to what confronts us if we are facing a general and marked decline of farm prices, and if we continue our main or almost sole reliance on the CCC type of implementation of a farm program.

Let us see where this type of a program is at fault. In the first place, it tends to take large parts of the distribution of farm products out of private industry's hands and the hands of farmers' cooperatives and concentrates it in the hands of bureaucratic Government agencies.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Iowa.

Mr. TALLE. Inasmuch as the gentleman from Kansas has referred to the testimony of Mr. Sanders, of the National Grange, an excellent witness, I may say, and also inasmuch as the ma-

jority leader has on two different occasions, yesterday and today, suggested that farm legislation should be taken out of politics, I think it is proper to refer to page 91 of the hearings on this bill. In reply to questions put by me to Mr. Sanders, he expressed the hope, and I agree with him, that an advisory council might be set up for agriculture comparable to that which we have had since 1913 in the Federal Reserve System. I think Members of Congress might like to turn to page 91 and following to note the attitude of the National Grange in connection with taking politics out of farm legislation.

Mr. COLE of Kansas. I thank the gentleman.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I should like to ask the gentleman about his amendment.

Mr. COLE of Kansas. I may say that the amendment in the minority views is not the one I am going to submit. I have changed it somewhat. It is directed at the same purpose, but it is a little different.

Mr. BROWN of Georgia. As I understand it, the gentleman submitted this amendment which was voted down. We asked the gentleman to incorporate his idea in the report. It was understood that the gentleman was right and my understanding is that the gentleman did do that and the same is now in the report. That is what I want to understand about the gentleman's amendment.

Mr. COLE of Kansas. I was consulted.

Mr. BROWN of Georgia. Did not the gentleman tell me day before yesterday that he was satisfied?

Mr. COLE of Kansas. No; I think the gentleman must have misunderstood me about that matter. I was satisfied that the report on this subject was excellent considering that the majority of the committee did not agree with me. If the gentleman understood me to the contrary, I apologize. I never felt that the mere inclusion of that statement in the report would do the job. I never felt that way and I am sorry the gentleman did not understand me.

Mr. BROWN of Georgia. Did not the gentleman write this positive report?

Mr. COLE of Kansas. No, I did not. It was submitted to me before the report went in. I said that it is the best the committee would do under the circumstances. It does not agree with my particular attitude toward it.

Mr. BROWN of Georgia. Did not the gentleman say he thought we could get together, perhaps he and some other members of the committee could get together, and put it in the report and that would be satisfactory?

Mr. COLE of Kansas. The gentleman and I were on a different plane. I was talking about getting the best possible report in view of the committee's attitude in turning down my amendment, but I did not foreclose myself from offering the amendment.



Mr. BROWN of Georgia. The gentleman did not say he thought it would be satisfactory to put it in the report?

Mr. COLE of Kansas. No; not so far as my attitude was concerned.

Mr. Chairman, I want to read a resolution adopted by the Farm Bureau Federation in connection with this particular problem. It appears on page 79 of the hearings, as follows:

The Commodity Credit Corporation is one of the key agencies through which our farm programs are made effective. If this agency is to carry out the price-support policies which have been enacted into law, it must have adequate funds.

Recent action by the Commodity Credit Corporation indicates an apparent disposition on the part of that agency to enter more and more into the actual marketing of agricultural commodities. This is contrary to the long-established policy of our Government to utilize normal channels of trade, and to encourage cooperative marketing and other self-help programs.

We urge that Congress examine carefully current Government policies in this connection and take such action as is necessary to reduce direct Government action in this field to a minimum.

Here is one other resolution by the National Council of Farm Cooperatives, which was enacted January 9-12, 1950:

We are convinced after careful study that the Department of Agriculture through the Commodity Credit Corporation is steadily invading the field of farm marketing to an extent where the best interests of American agriculture are in jeopardy.

We have come reluctantly to this conclusion. We feel further that this development does not follow the conscious design or intent of the President, the Secretary of Agriculture, or of Congress.

Farmers and consumers will not gain by the substitution of programs of action by the Government for the exercise of free-enterprise activity by individuals, partnerships, corporations, and by farmers themselves through their cooperative marketing associations. Instead, such activity by the Government will lead to inefficiency, high costs, and abuse.

Now, Mr. Chairman, to correct this situation I have an amendment which I desire to present to the committee at the proper time. This amendment reads as follows:

Sec. —. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.) is hereby amended to read as follows:

"It shall be the duty of the corporation in the handling and disposition of agricultural commodities which it has acquired (except disposition to other Government agencies) to utilize the usual and customary channels of trade and commerce, including the employment of dealers and commission merchants for such services as are ordinarily performed for hire in the course of private commercial handling and disposition of like commodities; *Provided, however*, That nothing contained in this paragraph shall change or impair any of the powers of the corporation as provided elsewhere in this act."

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Iowa.

Mr. TALLE. In connection with the able statement that is now being made by the gentleman from Kansas, I think it would be appropriate to refer to the

hearings on page 163, where an explanation is made by a witness who showed, step by step, the services that are performed by the regular trade. In his statement he noted 16 steps, and these are services that have grown out of experience over more than a century.

Now, one of the complaints against the administration of the Commodity Credit Corporation is that long delays occur. For instance, a leaky car might mean that wheat would run out of the car before there would be any opportunity for the person who shipped the grain to recover from the railroad. It is clear from the testimony that as much as 10 months may elapse before any settlement whatever is made by the Commodity Credit Corporation. These 16 steps that I refer to are performed in 3 or 4 days by the regular trade after the car is on the tracks. Therefore, we should take into account that it is not a matter of mere selfishness on the part of the trade that they ask a chance to carry on their business. It is a matter of efficient handling, and a price is paid to people who know how to do these things efficiently and promptly. I want the Commodity Credit Corporation to succeed. I have always supported it, and I support it now, and I support this bill, but I want it to administer its affairs in such a manner as to earn the respect and the support of every Member of this Chamber, and I am sure the gentleman from Kansas agrees with me.

Mr. COLE of Kansas. I thank the gentleman; I agree with him heartily.

The purpose of my amendment, as I have said, is agreed to by everyone, and that purpose is that the Commodity Credit Corporation shall not supplant private business. It affects the small-business men all over the country. Those men are not just grain merchants. They are the small-business men and farmers in the South, the far West, who deal with wool, cotton, and prunes, with peanuts. They are the backbone of agriculture, because they have, for 100 years, been serving the farmer.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Tennessee.

Mr. JENNINGS. If the Commodity Credit Corporation supplants these men who are already in the business of storing these agricultural products, is there anybody who will work for the Commodity Credit Corporation without receiving compensation?

Mr. COLE of Kansas. I think the gentleman has a very interesting point.

In Kansas City, Mo., today, I understand there are 300 employees of the Commodity Credit Corporation. What are they doing? Those 300 employees largely are doing the very same job that these private, small-business men would be able to do it if we permitted them to do it.

Mr. JENNINGS. Do they do it for any less pay than do the employees of the private enterprises?

Mr. COLE of Kansas. They do not do it for less pay, may I say to the gentleman. It costs about the same amount of money. As a matter of fact, I think

private industry can do it more cheaply, and the Department of Agriculture and the Commodity Credit Corporation do not have any answer to that. They cannot say that it could not be done any cheaper.

One other thing, however, is that they do it in an inefficient manner. To do it efficiently would double their staff. All the Members of Congress who have had anything to do with grain or the storage of grain know that the shippers of grain who have been attempting to deal with the Commodity Credit Corporation have found that it now takes from 6 months to 9 months before they can finally get their check to be paid off by the Commodity Credit Corporation. It requires 6 to 9 months for settlement of case after case of grain shipped by the Commodity Credit Corporation.

The industry, may I say, will pay the shipper 80 percent of the value of the grain as soon as it receives notice of the fact that the grain has been shipped, and within a week after that the shipper will have his entire amount. All of us who have had anything to do with the situation know that the CCC has been painfully slow in settlement of these accounts.

Mr. JENNINGS. So that the gentleman's amendment if adopted will afford facilities for the handling of these grains or other commodities at a lower price than if the Commodity Credit Corporation did it?

Mr. COLE of Kansas. Right.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Minnesota.

Mr. JUDD. Of course the operations in 1948 were heavier than they had been for many years because we did not have such surpluses previously. I have here a letter written by the Deputy Administrator, who states:

In the Minneapolis area it was necessary to obtain additional equipment and to hire a substantial number of clerks. This involved training of new employees and a considerable amount of shifting of experienced employees into new duties and responsibilities. It was also necessary to move the entire office to a new location because of crowded quarters.

Here was the grain trade that knew every step from the time the grain was hauled into the elevator up in North Dakota until it landed in a car at the terminal in Minneapolis, but would they use those people? No. They admit they took weeks and months training new people and moving to a new office, building up a bureaucracy, while the country elevators waited 6 months or a year to find out whether their grain had ever been delivered or whether the quantity was right or, if they changed the grade when it was received from what it had been taken in at in North Dakota, what kind of allowance or adjustment was going to be made. They simply cannot do business under those circumstances, not only the trade people at the terminals but the country elevator man who ships the grain in and has his money invested in it. It is just disgraceful that they would not use the trade.



I commend the gentleman on his amendment. I wish it were even stronger, not because I want to take care of particular interests but because we want this program handled in the most efficient and economical manner possible.

Mr. COLE of Kansas. To analyze what I am talking about when I say we want the Commodity Credit Corporation to use the usual and customary channels of trade and commerce, I want to give one illustration.

The Commodity Credit Corporation, as you know, has great stores of all kinds of commodities. There is a difference between the wholesaling and retailing of those commodities.

The Commodity Credit Corporation having these commodities in storage could wholesale them at a price which would be less than if they retailed them. In the usual channels of trade these small-business men and farmers who want to deal with the Commodity Credit Corporation could go to the corporation and bid on round numbers of millions of bushels of grain, for instance, and thus channel that grain out to the trade, doing the same job that the Commodity Credit Corporation would do at a less price. They would maintain the traditional, correct, and normal channels of trade.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. WHITE of California. With reference to these complaints which the gentleman has apparently heard about the delay in the handling of the commodities with the Commodity Credit Corporation, are they with reference to the loan program or the purchase program?

Mr. COLE of Kansas. I am sorry, I cannot tell you which. I would say it is in connection with the purchase program, but I do not know. All I know, sir, is that it may be in connection with the purchase program, but it could be in the other. The thing about it is when the shipper moves his commodity, to the Commodity Credit Corporation, whether it is a loan or a purchase program, they now channel it through a shipper. The Commodity Credit Corporation delays in its grading and in its clearing of the weights, and so on, and takes such a length of time in its paper work. I think perhaps it is in both programs. I am not sure, however.

Mr. WHITE of California. I want to say to the gentleman, if he thinks it is in the loan program, if it is anything at all like cotton, that can be done by the local bank. A loan can be made at any local bank and cleared right away.

Mr. COLE of Kansas. No; the gentleman and I are talking about two different things. I am not talking about the farmer. I am discussing the grain trade.

Mr. WHITE of California. But the loan program is the bulk of the handling.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. LOVRE. In support of the amendment of the gentleman from Kan-

sas, I want to say that practically all of our operators have put up a terrific howl about the treatment they have received at the hands of the Commodity Credit Corporation and I am very happy to join with the gentleman from Kansas in support of the amendment he is going to offer.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. YATES. What about the cost of the program, if the gentleman's amendment is adopted? As I understand it, the Commodity Credit Corporation will then have to pay fees to brokerage firms which it does not have to pay at the present time. Is that correct?

Mr. COLE of Kansas. Yes; that is true.

Mr. YATES. Will not the additional cost of those fees, multiplied by the number of commodity transactions throughout the country mount up to an additional staggering sum, additional to the amounts now paid by our Government under the present farm program?

Mr. COLE of Kansas. I think the gentleman has asked a very good question, and the question should be answered. It is my judgment it would not, for this reason: First, I understand that these fees are very low. Secondly, I think, as was pointed out here a moment ago, that the Commodity Credit Corporation must do exactly the same things within the Corporation. They must employ people to do it. They must have the same paper work. It is my judgment, at least, that it would not cost any more, and frankly I do not think it would cost quite as much.

Mr. YATES. If the gentleman will yield further, may I ask has the gentleman, whether he has made or whether the committee, in furtherance of the gentleman's amendment, has made any determination of the number of transactions upon which such brokerage fees would have to be paid? Would the gentleman know anything about the probable cost of his amendment?

Mr. COLE of Kansas. No. However, the CCC has no figures to the contrary.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. JUDD. Sometimes they have a thousand cars on the track in 1 day in my own grain-terminal markets, so that gives you an idea of the amount of paper work involved.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. PATMAN. The gentleman mentioned Mr. Sanders' testimony. He will recall that Mr. Sanders testified he had observed the operations of the Commodity Credit Corporation for 17 years, and he could not specify one criticism that was justified against the Corporation during all that time, and I interrogated him closely.

Mr. COLE of Kansas. But he did say there were criticisms.

Mr. PATMAN. But he could not specify where they were justified.

Mr. COLE of Kansas. He wanted to be nice about it, may I say to the gentle-

man from Texas. I, however, do not want to be quite that nice. I will say there was a definite political criticism of the operation of the Commodity Credit Corporation and of the Department of Agriculture by reason of the misrepresentations which occurred in the election of 1948 when the Secretary of Agriculture attempted to use, and did use the Commodity Credit Corporation, and the Department of Agriculture for political purposes in order to win an election for President Truman.

Mr. PATMAN. I think the gentleman is using very strong language which cannot be borne out by the facts.

Mr. COLE of Kansas. I still say it is true.

(Mr. COLE of Kansas asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

#### MIDDLEMAN'S MIDDLEMAN

Mr. PATMAN. Mr. Chairman, if you will take the printed hearings on this bill and refer to the testimony of Mr. Sanders, mentioned by the gentleman from Kansas [Mr. COLE] you will notice on page 94—and I say that Mr. Sanders wanted to leave the impression that there was something wrong about the Commodity Credit Corporation. I pressed him and urged him to name just one thing specifically, one thing that was a deserving criticism against the Corporation over a period of 17 years and he could not name one. Read the testimony for yourselves.

This amendment is a middleman amendment. We are supposed to be legislating here for the farmers and in the interest of the farmers, but some Members seem to be overlooking the farmers' interest and thinking about the middleman's middleman.

This bill would put the administration of this act in a strait-jacket; it will funnel everything through the middleman's middleman. They will be the only ones who will handle it. We are forgetting the farmer in talking about him; we are adding additional charges on his commodities.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WHITE of California. The gentleman says that this bill would do it; he means this particular amendment would do it.

Mr. PATMAN. I mean this amendment. I thank the gentleman for his contribution. This is a law for the farmers, not for the middlemen or for the middleman's middleman.

The gentleman mentioned Kansas City. If this amendment had been the law last year, the Commodity Credit Corporation in Kansas City, the city mentioned by the gentleman from Kansas [Mr. COLE] handled 30,000,000 bushels of grain last year. If this amendment had been the law, the Commodity Credit Corporation would have had to pay \$450,000 on the Corporation's own grain that they had handled for



themselves, paying the cost. That increases their budget, increases our deficit; and, remember, that the Kansas City office handles lots of things; the transactions of that office involve a number of commodities and multiplied tens of millions of dollars each year. The entire cost of the Kansas City office last year was only \$425,000, but with the movement of this one single grain transaction it would have cost the Government \$450,000 without counting any of the other transactions.

Mr. COLE of Kansas. On what does the gentleman base his \$450,000 figure?

Mr. PATMAN. On 1½ cents a bushel, the ordinary and customary rates, I understand, for the handling of this grain. That is what the Government would have to pay these commission men for handling the Corporation's own grain.

Mr. COLE of Kansas. Oh, no.

Mr. PATMAN. Why, the gentleman's amendment would do that.

Mr. COLE of Kansas. I say in the handling and disposition of this that the illustration I gave, if the gentleman will bear with me, was, for instance, the permission of the grain trade to go into the Commodity Credit Corporation and buy, in round numbers, a million bushels of grain, shall we say, and then channel it out. I am not asking that they handle the grain owned by the Corporation.

Mr. PATMAN. I cannot yield further; I have but limited time. I believe the gentleman's amendment would include the Corporation's own grain. The Secretary of Agriculture says that an amendment like this would provide the enemies of farm price support with means of completely wrecking the program. In other words, we are forgetting the farmer, the fellow we are trying to help, and going out to help the middleman and guarantee him a profit. It would place not only the farmer but also the Corporation completely at the mercy of the grain trade with respect to all price-support operations in grain, but it would also have a grave effect on all other purchasing and selling operations of the Corporation. Here are some of the effects as stated by Secretary Brannan:

1. The Commodity Credit Corporation could not purchase commodities direct from producers in carrying out its price-support program or for any other purpose channeling out through the middleman or the middleman's middleman.

2. The Commodity Credit Corporation could not accept deliveries of commodities direct from producers.

3. It could not operate its own grain bins or storage facilities even on an emergency basis; and the farmers, again, would not be able to obtain storage for their crops. Surely you do not want to repeat that again in 1951, but that is what the suggested amendment would do.

4. The Corporation could not sell commodities direct to users or to foreign governments.

5. The Commodity Credit Corporation could not avail itself of purchases that it made from farmer-elected county committees in the acquisition, care, and disposition of the commodities acquired by the Corporation.

6. There would be doubt as to whether the Corporation could utilize newly formed

farmer cooperatives where private trade facilities already existed.

In other words, it would stop farmer cooperatives in their tracks; that is what it would do.

#### REPUBLICANS AGAINST FARMER COOPERATIVES

The gentleman from Kansas expresses concern for farmer cooperatives. I hope he can get the attention of the leadership on the Republican side, because the leadership, if I understand their activities in the recent past, is trying to do something to farmer cooperatives. They are trying to hurt them, they are trying to give them the death sentence, they are trying to put them out of business. That is what they are trying to do.

7. Trade interests could ask excessive and perhaps prohibitive fees for their services and the Corporation would be forced to pay them or cease price-support operations.

In other words, you are creating local monopolies in the hands of the middlemen far removed from help to the farmer.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. JOHNSON. Out in my country we have a great many cooperatives that handle the fruit crops. What I am thinking about are the apricot and prune growers. Is it the gentleman's interpretation of this amendment that they themselves who are organized for the specific purpose of marketing their crops would have to go through a broker?

Mr. PATMAN. They would have to go through commission men or dealers.

Mr. JOHNSON. Or commission men?

Mr. PATMAN. That is right.

Mr. JOHNSON. If these goods were sent abroad, would they again have to go through a broker?

Mr. PATMAN. They would have to go through a commission man. In other words, they get their cut. We are forgetting who we are legislating for here. We seem to be trying to guarantee a profit and a price to the middleman.

Mr. JOHNSON. Where in the bill is that found?

Mr. PATMAN. It is in the amendment. That is what I am talking about.

Let me expand on this one point, the reason I said the leadership on the Republican side seem to have their knives out for the farmer cooperatives.

Mr. John H. Davis, secretary of the National Council of Farmer Cooperatives, was invited to attend the Sioux City, Iowa, farm meeting called by the leaders of the Republican Party. Mr. Davis went before the group and made this statement:

The farmers have become concerned over the antifarmer cooperative bills and activities of certain Republican Congressmen and Senators whose activities and bills apparently have been condoned by the leadership of the Republican Party.

I read this on the floor of the House on October 6 last. The gentleman from Massachusetts, the Honorable JOE MARTIN, minority leader, a man I have a very high respect and high regard for, was present. I asked him if the leader-

ship on that side denied it, but the leadership has not done so. So we have a right to believe that the Republican Party is out to destroy farmer cooperatives. This is a step in the direction of stopping them in their tracks.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman has pointed out that if the amendment to be offered by the gentleman from Kansas is adopted the cost to the Government will increase tremendously.

Mr. PATMAN. Tremendously, yes.

Mr. YATES. I assume it would increase the cost to the taxpayer as well?

Mr. PATMAN. Yes.

Mr. YATES. Would it also be true that the cost to the consumer would as well go up?

Mr. PATMAN. It certainly will. In other words, it would change this from a bill intended primarily for the benefit of the farmers and the farm program to one of primary benefit to grain commission men, grain brokers, and other members of the grain trade. We are just going off on a tangent.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kentucky.

Mr. SPENCE. The present law says that private enterprise must be used to every extent possible; is that right?

Mr. PATMAN. Yes.

Mr. SPENCE. This would repeal that and make it mandatory, whether the facilities were available or not, to call on industry in order to carry out the functions of this Corporation?

Mr. PATMAN. The gentleman is correct.

Mr. Chairman, I have before me a copy of the charter and I am quoting the charter provisions:

In the Corporation's purchasing and selling operations with respect to agricultural commodities and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

They cannot point to any cases by unbiased and unprejudiced witnesses where that has been violated or not carried out.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. DEANE. Is it not likewise true that the traders represented in this amendment to be proposed by the gentleman from Kansas over a long period of time have refused to deal with the Corporation on a reasonable basis?

Mr. PATMAN. Many of them have and they would hold the Government up. They would have local monopolies under this, they would have to deal with them and pay them any price that they charged. I do not think we want that.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?



Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. HOEVEN. First of all, may I say that I regret the gentleman has injected politics into this discussion.

Mr. PATMAN. Does the gentleman mean to say that the gentleman from Kansas [Mr. COLE], did not mention politics? He preceded me.

Mr. HOEVEN. I am not so sure about that. I only regret that politics has been injected into this discussion. The question I want to ask the gentlemen is this: Does the small country elevator have any place in the program under the provisions of the bill now before us?

Mr. PATMAN. Why certainly it has, and the Commodity Credit Corporation has been cooperating with them. They have all been making money. You do not see any of them for sale.

Mr. HOEVEN. I am not saying that. Certainly the gentleman is not objecting to the Commodity Credit Corporation using the facilities of the ordinary small country elevator?

Mr. PATMAN. No, we want them to do that. I am for it. But I do not want to tie them down and say they have got to do it in every local community, because they may lose their bargaining power.

Mr. HOEVEN. I would assume that the gentleman would take a position in support of the small country elevators by virtue of the fact that he is chairman of the Small Business Committee.

Mr. PATMAN. Certainly, I am for them, and I want to protect them, but I do not want them to have a monopoly.

Mr. HOEVEN. Does the gentleman mean that a small isolated country elevator is a monopoly?

Mr. PATMAN. Well, he could be under this bill; I mean, the people involved in this amendment could be.

Mr. HOEVEN. I assume that the gentleman is interested in protecting private enterprise?

Mr. PATMAN. Sure, I am; but I am not in favor of protecting the middleman's middleman to the extent that we guarantee him a profit at the expense of the taxpayer.

Mr. HOEVEN. I am not talking about the big operators. I want to protect the small operators.

Mr. PATMAN. I am talking about any of them abusing the taxpayer.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The present law, as passed in 1948, as amended, says:

The Corporation shall, to the maximum extent practicable, consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

The amendment that the gentleman introduces seems to change that and says that the Corporation shall employ the services of dealers, commission men, merchants, and others in the usual and customary channels, regardless of whether or not they are qualified, and regardless of whether or not they are ef-

ficient, and regardless of whether or not they are wasteful.

Mr. PATMAN. This is a terrible amendment.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. In view of the statement which the gentleman made with respect to some charge concerning a Republican Member on this side at sometime in the past, it is incumbent upon me, sitting here and hearing the charge made that the Republican Party is out to destroy cooperatives, in order that it may be clear, to say that, so far as Wisconsin is concerned, our State has been the cradle of the true farmer cooperatives in the United States, and that has been done under a Republican administration in our State.

Mr. PATMAN. I repeat that John H. Davis is quite a big man in the farm cooperative movement, and he went before the Republican farm meeting at Sioux City, Iowa, and he told these farm leaders, including the leaders of the Republican Party—there were no Democrats there, just Republicans—this:

The farmers have become concerned over the anti-farm cooperative bills and activities of certain Republican Congressmen and Senators whose activities and bills apparently have been condoned by the leadership of the Republican Party.

That has not been denied. It was not denied at the Republican farm meeting, nor when I brought it up on the floor of the House October 6, when the Republican leaders were present. They did not deny it, and to this good day they have not denied it, to my knowledge.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Missouri.

Mr. CHRISTOPHER. Is it not a fact that if the amendment of the gentleman from Kansas [Mr. COLE] becomes law, it will deny to the Commodity Credit Corporation the right to buy, build, and lease grain storage?

Mr. PATMAN. I do not know how far it goes, but I know it is a middleman's middleman bill, to protect the profits of the middleman's middleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. JENSEN. Is it not a fact that many of these cooperative elevators are opposed to the language in this bill, and the gentleman is fighting for the cooperatives? How do you square that?

Mr. PATMAN. Well, the gentleman is putting words in my mouth. I did not know that. I did not know anything about that.

Mr. JENSEN. Oh, the gentleman did not?

Mr. PATMAN. No; I did not.

Mr. JENSEN. Well, then, let me ask another question. Is the language in this bill the same language as we have in the present law?

Mr. PATMAN. No. The gentleman is talking about the amendment, I presume?

Mr. JENSEN. No.

Mr. PATMAN. The amendment I discussed.

Mr. JENSEN. No. I am talking about the language in the bill.

Mr. PATMAN. Of course, we are not changing that part of the Commodity Credit Corporation charter, section 5, which places an obligation and a duty on them to use the existing and customary channels of trade. That is all right. I am for that. But I am not for requiring them to use certain people which would put the Corporation in a strait-jacket, funnel all business through these people, and guarantee a profit to the middleman's middleman at the expense of the taxpayer.

Mr. JENSEN. I do not think the Cole amendment would do that at all.

Mr. PATMAN. I do. I think it would. I hope the gentleman will read it and vote against the amendment.

Mr. JENSEN. I think I shall vote for the amendment, I might tell the gentleman, and be glad to do so.

Mr. PATMAN. That is the gentleman's privilege.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, after consultation with members of the committee on both sides I now have the amendment I want to offer in a refined form, and I believe a better form. It would do this:

In order to prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Commodity Credit Corporation is authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school-lunch programs, and the Bureau of Indian Affairs, and Federal, State, and local tax-supported institutions, such as hospitals, orphanages, schools, penal and mental institutions, and public welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States; fourth, to inter-governmental or international nonprofit welfare agencies for assistance to needy persons outside the United States. The Secretary of Agriculture shall first determine that such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest. The Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation, or shall be empowered to deliver them abroad when necessary. The Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months' storage costs on any such commodities turned over.

Let me read from section 416 of the Agricultural Act of 1949. I have practically taken over the language in the first part of that amendment. It is identical. Then it states, as to the order of priority,



"First, to school-lunch programs." That is the exact language I used. Then "to the Bureau of Indian Affairs and Federal, State, and local public welfare organizations." So I am not changing existing law, I am just adapting it to the provisions of section 416 of Public Law 439 of the Eighty-first Congress.

Let me call your attention to another provision in the law which convinces me that this is a germane amendment.

Under section 5 of the Federal charter for the Commodity Credit Corporation there are certain specific powers enumerated. The fourth of these is this:

Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

Then this goes further. It adds certain other kinds of organizations which would qualify. It provides for a safeguard in that the Secretary must first determine that these commodities are in ample supply over and above such reserves that may be required and deemed to be in the public interest.

Then, of course, it does a thing which is unique, it provides for the payment by the Corporation of the cost of transportation, and advances those funds out of the equivalent of 6 months' storage costs.

I have spoken of them previously and I do not want to be repetitious, but I would like to give you some new information. One or two of my colleagues have said, "Do you think you have provided adequate funds to do this?" I said I thought we had.

I asked the proper official of the State Department, who has been handling this, to give me some figures. We have one-hundred-and-thirty-one-odd-million pounds of butter in Chicago. It would cost us .0132 cents per pound to send that on to New York. That is \$1,731,461.91. That takes care of butter.

We have 4,499,411 pounds of cheese at Eau Claire, Wis. It would cost us \$72,440.52 to get that to New York.

We have 19,683,791 pounds of eggs at Atchison. It would cost us \$360,000 to get that to New York.

We have 19,686,791 pounds at Atchison, and here again it would cost a little less to get it to Norfolk. We have 69,330,624 pounds of dried milk. If we were to ship that from Wisconsin to Norfolk it would cost us a half a million dollars. If we shipped it to a Gulf port, it would cost us less than that. We have 110,100,000 pounds of beans at Scottsbluff, Nebr. It would cost us \$1,500,000 to get that to New York, and it would cost us slightly under that to get it to Norfolk. Those beans could be shipped to New Orleans for \$726,000.

As an illustration, let me give you these figures to show you that it would be an ample amount in accordance with the rate that we are now paying for storage charges. I was not able to break down the difference between the carrying charges and storage charges, but I did place in the RECORD yesterday the cost for carrying charges for the first half of the fiscal year 1950. That is \$10,785,128, on just these 14 or 15 directly consumable food commodities. I have given a list of the others, too, but I think that probably

anyone with any common sense realizes that the first of the articles which would be used would be these articles which are in danger of spoiling.

I said earlier in the afternoon that the gentleman who is in charge of this program for children overseas called me this afternoon and gave me certain estimates of what they could use if they could get it. I think it would be interesting for the Members to know this.

He said based upon the experience of 2½ years they could undoubtedly dispose of 100,000 pounds of dried milk for these children who need it. He said they never used dried eggs, but he thought they probably could do so. They could undoubtedly dispose of over a million pounds of dried eggs. They would be under some difficulty in handling butter, but he thought they could use butter. They might have to put the butter in tins, but they could use it in substantial amounts.

I think this would interest those who have a very proper concern over the disposition of the cotton surplus. He said they are shipping cotton for layettes and infant clothes to Greece and Turkey and many other of the European and Mediterranean countries. He estimated they could use some eight to ten million pounds of cotton.

I understand there have been some objections to the use of this Mexican meat, or canned meat. But he told me that the consumption in Italy is very high, and in Greece and Turkey, and in all European countries. I am advised this meat is not dangerous. As a matter of fact, it has been used without causing any harmful effects to anyone. It is probably better meat than we can in this country, because according to the information I received, they simply can what we would use as steaks and good cuts of beef.

I hope very much in terms of the disastrous waste of money which none of us can tolerate and in terms of keeping this operation going on a sound basis, so far as surpluses are concerned, in terms of the human use of wholesome food and in terms of the possibility that we might, through this program, put some of this food even behind the iron curtain in China, where everybody knows starvation is threatening, we might create a very definite asset on our side in Asia.

The same thing is true in India and in many of the other countries which are facing starvation. We have the means to help them and it would certainly redound to our credit if we made it possible to do that.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, this is a rather strange situation. The gentleman who just addressed the committee made almost the identical speech before the House Committee on Agriculture yesterday. At that time he was assured that our committee would give very careful consideration to his statements and to a bill which he had introduced and which was referred to our committee. Actually, we have 23 bills before our committee dealing with this particular subject on

which we are now engaged in conducting hearings. As chairman of the committee, I extended an invitation to every Member of the House who has introduced a bill which has been referred to our committee dealing with the surplus food problem. Others have been invited to appear, and officials of the Department of Agriculture have likewise been requested to appear for the purpose of discussing the many proposals contained in the several bills which have been referred to our committee. While the appropriate legislative committee is in the very midst of conducting hearings, we are here presented a proposal which will, of course, obviate the necessity of further hearings and of further consideration, but it will result in denying to other Members of the House, to officials of the Department of Agriculture, and to others the right to express their views and to urge their solutions before the committee, which is charged with the responsibility of considering such proposals.

Every member of the House Committee on Agriculture is aware of the great responsibility which rests upon him. I know that my committee is composed of honorable, upright, and patriotic citizens who appreciate fully the gravity of their responsibilities. Every member of that committee is mindful of the fact that surplus agricultural commodities present a problem of great magnitude and of tremendous importance. The author of the amendment which will be introduced has frankly admitted that his amendment needs to be studied further. He apparently does not realize the far-reaching effect of the language which he here proposes in the form of an amendment to the pending bill.

The amendment is not well drafted. It should be defeated for many reasons, too numerous for me to even mention, much less discuss. One argument should be sufficient to defeat the amendment which my friend, the gentleman from Massachusetts [Mr. HESELTON], will propose and that is that our committee is now considering the identical proposition and our committee is the legislative committee charged with the responsibility and we should be permitted to continue with our consideration of the gentleman's proposition, along with suggestions which have been submitted by other Members of the House in the form of other bills.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HESELTON. I am sure the gentleman from North Carolina would not want to leave in the record the incorrect impression that I had stated that I did not understand this amendment.

Mr. COOLEY. I thought the gentleman told the majority leader that he was doubtful as to whether or not it embraced the entire school-lunch program, including private schools.

Mr. HESELTON. When the majority leader pointed out that he thought there was language in there that I did not intend, I said I would study it. I did study it, and I immediately found the answer, and that was that the act that the gentleman sponsored through the Congress had the identical language. I



therefore completed my study quickly and agreed with the gentleman from Massachusetts [Mr. McCORMACK] that that was in the law today; so I did not need to study it further.

Mr. COOLEY. Most of the provisions that the gentleman has in his amendment are in the law of 1949. The only advantage, as I understand this amendment, is the payment of freight. Now, does the gentleman believe that we should take these surplus commodities merely because they are in surplus all over this country that are not in danger of immediate deterioration and send them around the world to give them away to people? Should we send them into other parts of the world at the expense of the American taxpayer, and add that burden to our other great gratuities in the interest of the welfare of the human race in other parts of the world?

Mr. HESELTON. I must still state that if we are spending money needlessly and in a wanton and wasteful manner at the rate of fifty or sixty thousand dollars a day to keep those things in storage, that we should stop it.

Mr. COOLEY. Yes.

Mr. HESELTON. That we have a challenge this afternoon to stop that thing. That is my point.

Mr. COOLEY. Yes; but the gentleman provides in this amendment that it shall be at the expense of the American taxpayer.

Mr. HESELTON. No; I do not.

Mr. COOLEY. You can load up a shipload of potatoes and send them around the world.

Mr. HESELTON. I make no such provision.

Mr. COOLEY. Let me read it to the gentleman:

Shall be empowered to deliver them abroad when necessary.

You deliver them at shipside and pay the freight there, and you can deliver them to these foreign agencies to take them abroad at their expense, but if it is found to be necessary you can load them on an American ship and pay the freight from Bagdad to Shanghai or to any other port in the world.

Mr. HESELTON. If I take those words out will the gentleman agree to my amendment?

Mr. COOLEY. No; I am not going to agree to the gentleman's amendment because I say to the gentleman that he knows that he testified before my committee for an hour and a half and we thought we heard him fully. We assured him that we would give careful consideration to his proposition.

I think that the other Members of this House should not vote for this amendment and thereby repudiate the House Committee on Agriculture.

Mr. HESELTON. Mr. Chairman, will the gentleman yield for a further question?

Mr. COOLEY. I yield.

Mr. HESELTON. Did not the gentleman this afternoon in support of a conference report state that the very principle of this amendment had been accepted by the conferees?

Mr. COOLEY. I certainly did that with regard to potatoes, but we are now

considering its application to other commodities.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. PHILLIPS of California. I wish to refresh my own memory. I was under the impression that the law regarding the use of food abroad permitted the paying of freight abroad, and that what the gentleman was trying to do was to permit it to be paid in this particular.

Mr. COOLEY. No; the gentleman is wrong; we cannot pay transportation of food all around the world.

Mr. PHILLIPS of California. The gentleman means we could pay it from here to some particular country?

Mr. COOLEY. No, we cannot do that. The potato problem is an emergency problem.

No one is suggesting that this cheese, milk, and butter, and other commodities are deteriorating. We have a surplus. I think it is a temporary surplus. In reference to the basic storable commodities which are not perishable may I say that if you will give the American farmer an opportunity to adjust his production we will come out of this without sustaining any substantial loss.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I rose primarily to discuss the amendment offered by the gentleman from Kansas [Mr. COLE], but before going into that matter may I say that I am in favor of this bill and expect to support it. I also wish to refer to the statements made by the gentleman from Texas [Mr. PATMAN], concerning the Republican Party's position on cooperatives in which he referred to a statement made at the Sioux City, Iowa, Republican farm conference last September. I was present at that conference, I heard Mr. Davis make the statement quoted by the gentleman from Texas, but he preceded that statement by paying a tribute to the Republican Party for the fine pioneer work that that party had done in laying the foundation for our farm cooperatives in this country today. I am sure that anyone who is familiar with the legislative history of farm cooperatives knows that all of the fundamental legislation was passed under Republican administrations and sponsored by Republicans and the 2 principal laws responsible for the great success of farmer cooperatives are the Capper-Volstead Act passed in 1924 and the Federal Farm Board Act passed in 1929.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. JOHNSON. In 1911 California passed a cooperative marketing act for agricultural products under the leadership of Governor Hiram W. Johnson, who was a Republican, which act has been copied all over the United States.

Mr. HOPE. I am very glad to have the gentleman mention that, which leads me to make one further statement in this connection and that is that a vast majority of the farm cooperatives in

this country today, I would say at least three-quarters or possibly more, are in congressional districts represented by Republicans. These Republican Congressmen and the Republican Party are not going to go back on the farm cooperatives of this country.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Very briefly for a question.

Mr. PATMAN. The gentleman is making a very interesting statement. I am sure he is sincere. But why do not the Republican leaders come out and repudiate this statement? John Davis told them right to their face that they are condoning these activities against farmer cooperatives and challenged them to speak up. They have not spoken up yet.

Mr. HOPE. I do not understand that Mr. Davis challenged anyone to speak up. I think he was giving a warning to the Republican Party by calling attention to the fact there were some Republicans who had introduced some bills to which the cooperatives were opposed. Of course, any Member of Congress may introduce any bill he wishes. All he has to do is to drop it in that little basket over there. We have differences of opinion in the Republican Party as you do in the Democratic Party on many questions.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. WHITE of California. May I say for the gentleman's benefit that during the time I have been a member of the Committee on Agriculture of the House there is no one on that committee who has played politics less with agriculture than the gentleman from Kansas. He is a very fair man.

Mr. HOPE. I am very grateful for the expression from my esteemed colleague from California.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I do not know of any Member of Congress who is held in higher esteem by Members on both sides of the House than the gentleman who is now addressing the committee.

Mr. HOPE. I appreciate the distinguished gentleman's statement very much. He is, indeed, generous.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. HOEVEN. May I say that the gentleman from Kansas who is now addressing the Committee is one of the Republican leaders in the agricultural field by virtue of the fact he served as chairman of the Committee on Agriculture in the House of Representatives, and has always been intensely interested in agricultural matters. Therefore when he tells this Committee and the country that the Republican Party is not out to scuttle cooperatives we certainly will take his word for it. I am heartily in



accord with his sentiments in that regard.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. POAGE. After serving on the committee with the gentleman from Kansas for a great many years, without regard to what party he belongs to, we recognize the gentleman from Kansas as one of the agricultural leaders of America.

Mr. HOPE. I thank my good friend and distinguished colleague on the Committee on Agriculture.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I just want to make this observation. It appears this afternoon that Democrats and Republicans alike believe that hope springs eternal.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I agree with all of these fine encomiums. My friend is a great statesman and a great farm leader, but has my friend ever experienced the uncomfortable situation of finding himself advocating one way and most of his other Republican friends the other way on farm legislation?

Mr. HOPE. I suppose every Member of Congress has found himself in the minority at one time or another.

What I got up here to discuss, as I mentioned a moment ago, was the amendment which the gentleman from Kansas, my friend and colleague, Mr. COLE, proposes to offer to this bill, and which relates to the use of the customary channels of trade and commerce by the Commodity Credit Corporation in carrying on its operations. I understand fully what my able colleague from Kansas desires to do. I have discussed this matter with him, and he has discussed it with me. I am sympathetic with his viewpoint and I know his intention is to facilitate the work of the Corporation. Yet I am afraid that the amendment which he proposes would go much farther than any of us would want to go as far as the activities of the Commodity Credit Corporation are concerned.

The thing that I am most concerned about is the effect that this amendment would have upon the activities of the Corporation in taking over grain upon which it has made price-support loans or upon which it has purchase agreements. I think I can illustrate what I mean and point out just how costly this amendment would be, if adopted, by simply reciting what actually happens in carrying out those transactions.

When a commodity loan is made upon grain or any other commodity, it runs for a definite period of time, and at the end of that time, if the loan has not been paid, the commodity is delivered to the Commodity Credit Corporation. The same things happens under a purchase agreement. In the course of time the commodity is taken over by the Commodity Credit Corporation. Now, how

does it take it over? It takes it over through the action of the local county committee. The farmer who has received the loan reports to the committee, or the committee sends word that it is ready to take delivery of the commodity, and arrangements are made whereby it may be delivered to the Corporation, usually through the facilities of a local elevator. If there is a local elevator which will handle the commodity, it is handled that way. Under the existing arrangements with the local grain elevators—and I am going to confine my remarks now to the handling of grain—there is paid to these local elevators 6½ cents per bushel for handling the grain. That covers not only the physical handling but a guaranty by the local elevator as to the quality and quantity and grade of the commodity. After the grain is loaded at the local market, it is sent to the terminal market—Kansas City or Minneapolis or Omaha—and there it is taken over by the Commodity Credit Corporation. But the Commodity Credit Corporation actually acquires the grain, of course, when it is turned over to the county committee, and from there on it is Commodity Credit Corporation grain.

Under the Cole amendment, as it is interpreted by the Commodity Credit Corporation, and I agree with that interpretation, the Commodity Credit Corporation could not use the local county committee, it could not make the arrangements that it makes with the local dealer, and it could not handle the transaction in the way that it does except by using the cash commission merchants in the terminal markets and paying those cash commission merchants their regular charge for handling the grain in those markets.

Now, I submit that if you and I were in the grain business, and we took over any lot of grain, we certainly would not expect after that to pay a commission company for nonexistent services. There is no occasion, after the Commodity Credit Corporation takes over grain in the county, to use any cash commission merchants in the terminal centers. There is nothing for them to do as far as Commodity Credit is concerned.

It is true that if the local elevator wants to have someone down at Kansas City or some other terminal represent it in collecting its 6½ percent commission or in seeing that it gets a proper check-up on the grades and weights and that sort of thing, it is at perfect liberty to do so, but that is not what is desired by those who are pushing this amendment. They want the Commodity Credit Corporation to make a payment to the cash commission merchants in the terminals for a service which it is not necessary to render and which they cannot render. Yet if we adopt this amendment those services will have to be paid for at the regular rate, which averages something like 2 cents a bushel in the various terminals throughout the country.

The statement has been made earlier this afternoon, and I repeat it, that at Kansas City in the month of May there were 30,000,000 bushels of grain ordered shipped. If the minimum commission rate had been paid upon that grain at

that time it would have cost more than all the operations of the Commodity Credit Corporation in Kansas City for the entire year, not only in the handling of wheat but all the operations the Commodity Credit Corporation carried on. So this talk that we can save money by having the cash commission merchants handle this business simply does not make sense.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman is pretty well acquainted with former Secretary of Agriculture Mark Thornburg, of Iowa.

Mr. HOPE. Yes. I think very highly of the gentleman.

Mr. JENSEN. He is very highly regarded in the State of Iowa among farmers and everyone who knows him, and I think generally speaking all over the United States where people know him.

Mark Thornburg is now Secretary for the Grain Dealers Association of Iowa. I had a long letter from him. He is very much disturbed about this committee bill and is very much in favor of an amendment in line with the Cole amendment.

Knowing that the gentleman is for private enterprise, may I ask him this question. Does not the gentleman feel that the regular channels of trade are being severely injured under this present way of handling these grains, and that they will continue to suffer; that while the Government save some money in the storage bill, while we are doing that is it not fair to believe that private industry will suffer, and that the Treasury of the United States will suffer because of revenue that will be kept from the Federal Government, because private industry is being hurt, and that will offset any saving we might have that is being made today under the program?

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kentucky.

Mr. SPENCE. May I say that I join in the encomiums that have been expressed as to the gentleman. Sweeping aside political considerations, above which he has risen, we regard him as an upright, able, just legislator. His voice always commands great weight because of the fine work he has done.

Mr. JENSEN. I am afraid when the gentleman some day in the near future, possibly, takes a position against some of the gentlemen that have been throwing flowers at him, they will not think he is such a grand fellow, and will be liable to say some bad things about him.

Mr. SPENCE. I am not in the habit of lying.

Mr. HOPE. I do not want to be in the position of saying I approve of everything the Commodity Credit Corporation has done. I think there is some very definite criticism that can be made of the activities of the Commodity Credit Corporation in the handling of grain received through local elevators in the



last year. I think they will admit that themselves. I believe there are some other aspects of the handling of grain that possibly should be turned over to the grain trade to a greater extent than has been the case. I do know that in the main the channels of the grain trade are being used.

I do not want to be in the position of saying there is not some merit to the gentleman's amendment. But I say it goes too far and if adopted would do irreparable damage to the activities of the Commodity Credit Corporation.

Of course, that means irreparable damage to the farmers of this country who depend upon that organization to support the prices of their commodities.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Chairman, on August 24, 1949, the then housing bill was up for consideration in the House, and our brilliant colleague, the gentleman from New York [Mr. MARCANTONIO], who I regret exceedingly is not here at the moment, offered the same anti-segregation amendment he offered on the housing bill which was pending yesterday. Yesterday, you will recall, he made the statement that once before the same amendment had been approved by the House sitting as a Committee of the Whole. Mr. Chairman, I beg to remind this Committee of the Whole House that at the time his amendment was offered on August 24, 1949, over 100 Members of the House were down at the White House, where the Honorable Tom Clark was being sworn in as a member of the Supreme Court of the United States, and, with or without any malice or aforethought, the amendment was offered at that moment when hardly a corporal's guard was present, and it did pass by a large majority vote of the few Members then present.

Immediately the distinguished chairman of this committee moved, after the teller vote was announced, that the committee should then rise and by a margin of 3 votes that motion was carried. On the very next day the approval of the amendment of the gentleman from New York was reconsidered, and defeated.

I simply wish to call the attention of the House again to the fact that neither the Congress of the United States nor either House has passed on any one of the 14 attempts to pass an anti-segregation amendment or bill. That is all I care to say.

I thank the gentleman from Kentucky [Mr. SPENCE] for granting me this time, and I yield back the balance of my time, having made the explanation which I think is due the House. I appreciate the opportunity of making that explanation.

Mr. GAMBLE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Chairman, if I understand the gentleman from Ohio [Mr. Young] correctly this afternoon, he made the statement that there are 17,000 employees of the State Department and not a single one can be proven to be disloyal or a member of the Communist Party, and he personally knew they were all loyal. If that is substantially the statement that has been made by the gentleman, I want to say right now it is utterly ridiculous and absurd and not based on any facts within the gentleman's own knowledge.

I have had a little more experience investigating Communists than my good friend, the gentleman from Ohio has, and realize full well that the difficulty of proving communism, especially in the State Department, is readily apparent. For years it has been apparent to the FBI that it would be impossible to investigate thoroughly, let alone recommend prosecution of any members of the executive department of the Federal Government. That great body of investigators is also a part of the executive department of Government and certainly can be, is, and has been, controlled in its investigations by the President of the United States. This has been proven too many times to warrant the feeling or belief now that the FBI has or are now able to investigate thoroughly communism in the State Department, or that the Loyalty Board had all the facts of Communist affiliations presented to it concerning various members of the State Department and other executive departments of Government.

May I recall to the gentleman that in 1948 when Alger Hiss was first brought before the Un-American Activities Committee the hue and cry was raised by Democratic Members of the House, by the President, the press, radio commentators, and magazine editors that this was a "witch hunt," "red herring," and that Alger Hiss was a loyal, good, honest, and true American and would not even consider divulging our secret war information to a foreign country? What do they say now about Alger Hiss? Then followed the revelation that there were 200 more Commies or Commie-fronters, homosexuals and perverts in the State Department. This revelation was made as a result of loyalty board hearings and congressional committee hearings. Can the gentleman say these 200 employees are now all removed from the pay roll?

How can any gentleman with any understanding of communism say, in view of this past history, that he is sure there are no Communists or fellow travelers in the State Department? Why must this investigation of communism in the executive departments of Government be delayed and hindered by Democratic Members of Congress, the President, and the whole administration? Why does the President refuse to modify or cancel his Executive order of March 16, 1943? Why does he refuse access to loyalty files of

the State Department employees? What are you all afraid of?

The American people want an answer to these questions—an honest answer—and they want it now.

Mr. GAMBLE. Mr. Chairman, we have no further requests for time.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, this is a bill which would increase the borrowing authority of the Commodity Credit Corporation by \$2,000,000,000—from \$4,750,000,000 to \$6,750,000,000. I want to say that I am in favor of this bill.

It is my firm conviction that the Commodity Credit Corporation is one of the best friends the farmer ever had.

There should not be an amendment to this bill because last fall we passed the farm program. We promised all groups of farmers that they could borrow a certain percentage of parity, 90 percent being the maximum; and whether it is \$2,000,000,000 or \$1,000,000,000, we have got to carry out the promise of this Government made in this program.

The Commodity Credit Corporation should know, more than anybody on the left or right side of this aisle, how much they need. They say they need \$2,000,000,000. But suppose they need only \$1,000,000,000; they cannot spend the other; all they can do is to make loans according to the act of Congress setting up the program last year for this year; so that part of the argument against this bill, or for reducing it from \$2,000,000,000 to \$1,000,000,000 is without any merit whatever.

There should not be any amendment to this bill. All there is to the bill is a grant of authority to increase the borrowing power of the Corporation by \$2,000,000,000 which the Corporation said might be necessary to carry out the farm program. If it is not necessary they cannot borrow it or spend it.

I am very glad that I said the nice things I did about my good friend, Congressman HOPE, of Kansas, and I assure you I meant all I said. However, I did not know when he had permission to speak and when I paid him this compliment that he would oppose the Cole amendment.

You all see I was right in paying him the compliment I did. But I also want to pay a compliment to the gentleman from Kansas [Mr. COLE], who is a member of the Banking and Currency Committee. He is a very fine character, energetic, and one of the most progressive and hard-working members of the committee and of the House.

I know the gentleman from Kansas [Mr. COLE] wants to help his people. He presented this amendment to our committee and the reason we voted it down was because the Commodity Credit Corporation took the position that it would wreck the whole loan program. The gentleman from Kansas [Mr. COLE] did not want to do this. So I suggested that we write something in the report



to take care of the situation, and he agreed to that after his amendment was defeated.

I want to make it very plain that he did not say he would not introduce any amendment on the floor. I told the gentleman from Kansas [Mr. COLE]: "You write what you want and I will ask the chairman to place it in the report." I thought everything was all right and I think everybody else in the committee did, though he has a perfect right to introduce the amendment and I am not criticizing him. He is just mistaken about the effect his amendment would have on the activities of the Commodity Credit Corporation.

Let me read what the Commodity Credit Corporation told me a moment ago. They say this whole program will be wrecked if this amendment is adopted. The gentleman from Kansas [Mr. COLE] does not want to do that. I think the men who run the Commodity Credit Corporation ought to know more about it than I do or the gentleman from Kansas [Mr. COLE] and I believe that the distinguished gentleman from Kansas [Mr. HOPE], who has been chairman of the Committee on Agriculture, should certainly know more about it than the gentleman from Kansas [Mr. COLE] or myself.

Here is what is in the committee report and I believe it takes care of the situation very well:

Testimony was presented to the committee during its hearings by representatives of the grain trade that the Corporation bypasses the services of subterminal and terminal representatives in connection with the shipment of grain from country elevators. It was contended that because the Corporation did not use the services of the trade that shipments from country elevators to subterminal and terminal storage were not being handled in a satisfactory manner, and resulted in unnecessary and long delays in receipt of weight and grade certificates, filing claims, effecting final settlements, and completing the transactions. These complaints were directed primarily at the movement of Corporation-owned grain, for in other cases country shippers are free to avail themselves of the services of the trade.

Your committee is of the opinion that the Corporation should fully investigate and make a complete study of this matter, and explore all of the possibilities of using the private trade in connection with these subterminal and terminal movements. If it is found, as claimed, that such operations can be performed more economically and expeditiously than by present methods, the Corporation should work out an arrangement with the private trade to handle these operations on a fee or other basis.

That is what we said.

I believe Commodity Credit Corporation will carry out the wishes of the gentlemen. I am quite sure of that.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I appreciate what the gentleman has said, particularly with reference to me personally and my approach to this problem. I think that the committee did a good job in writing the report concerning the attitude of the committee with reference to this situation. But I do not have quite the same

idea that the committee has that the Commodity Credit Corporation will do the things we have requested it to do.

Mr. BROWN of Georgia. I do not know of an instance yet where the committee has asked something in the report that the Commodity Credit Corporation did not carry it out. I am delighted to pay them this compliment.

Mr. COLE of Kansas. I want to clarify my statement a little. I think the Commodity Credit Corporation is doing a good job and an important job. As the gentleman said, I want to help them, but I do feel in doing that job they feel they can do it better by eliminating the grain trade; therefore I do not believe they would do quite the job or one important enough in making this investigation.

Mr. BROWN of Georgia. We had Mr. Walter Scott from Kansas City here to testify. He is vice president of the Board of Trade of Kansas City. The gentleman from Oklahoma [Mr. MONRONEY] asked him this question:

I am just trying to find out what it is going to take to get it built.

He was speaking about facilities.

Mr. Scott said:

Well, I do not want to see more storage go up, so I do not want to help you too much in that respect.

Evidently, Mr. Scott wanted to do all the building. We settled that last year in the Commodity Credit Corporation charter bill and stated where private enterprise fails to go ahead and build these facilities, then the Government can step in and do it. But CCC could not build as long as private enterprise would do it, and Mr. Scott did not want CCC to construct facilities under any circumstances. He wanted to leave it just like it was in 1948.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. Would the gentleman say that the amendment offered by the gentleman from Kansas would be a benefit to the grain speculators and the glorified gamblers in Chicago? Would it be any benefit to them?

Mr. BROWN of Georgia. You know, I am one of those fellows who is always looking for the best in men, and I let the other fellow discover the bad things.

Mr. GROSS. Would this amendment be a benefit to them?

Mr. BROWN of Georgia. This amendment would absolutely destroy the effective program of the Commodity Credit Corporation. Here is the law:

The Corporation shall, to the maximum extent practicable, consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities and arrangements of trade and commerce.

Here is the difference. Under the amendment the Corporation shall employ the services of dealers, commission merchants, and the other usual and customary channels, whether or not it is practicable to do so, and even though their use would be inefficient, or make the Corporation's program ineffective.

We settled all that last year in the Commodity Credit Corporation charter bill. We settled it for good and I thought also the political implication. There is but one thing to do, and that is to carry out the program that Congress solemnly passed last year, and that alone.

The only protection farmers have—their only bulwark against ruinous declines in income—is the price-support program carried out by the Commodity Credit Corporation.

How many of you remember the price situation that confronted farmers in February 1933—a few months before the Corporation was organized? Let me refresh your memories.

In February 1933, farmers were receiving an average of 5.6 cents a pound for cotton; 19 cents a bushel for corn; 32 cents a bushel for wheat; and \$2.92 a hundred for hogs.

In February of this year, under supported prices, the situation was a whole lot different. Farmers were getting 27.5 cents a pound for cotton; \$1.16 a bushel for corn; \$1.93 a bushel for wheat; and \$16.60 a hundred for hogs.

Ask the farmers down South, out West, up North, back East what the difference between those figures means to them. The farmers will tell you that the difference between unsupported prices and supported prices is the difference between the hardest kind of poverty and a decent standard of living.

We cannot let the farmer down. We cannot show the slightest hesitation about approving this request for funds.

Let me tell you a little more about the Commodity Credit Corporation—about what it means to nonfarmers as well as to the people who produce the food and fiber required by this great Nation and other nations of the world.

The Commodity Credit Corporation, organized in 1933, was given broad powers to stabilize prices of farm commodities. Its operations were successful right from the start. Its resources and the intelligent way its activities in the field of agricultural prices were handled gave farmers the confidence they needed. The Corporation can be given great credit for the part it played in lifting the agricultural segment of our economy out of the depression.

From 1933 up to the beginning of the war, the Corporation's principal job was price support. During those years it acquired some substantial stocks of farm commodities—and how glad we were that we had those commodities when war struck. The grain we had on hand was used to increase food supplies so desperately needed by us and our allies. Other commodities, such as cotton and naval stores, were used in many ways to further the war effort. I want to point out here that the stocks we acquired before the war were disposed of during the war at a substantial profit. At the end of the war, on June 30, 1946, the Corporation, if wartime subsidy costs are excluded, showed a profit of over \$100,000,000.

Beginning in 1941, the Corporation took on a special, emergency assignment—the procurement of food and fiber for war purposes. Starting out as a



rather small operation involving procurement for the British Government, the Corporation's purchasing program eventually was expanded to encompass procurement for all the Allies of the United States, American armed forces, and the civilians of this country. In 1945, the Corporation delivered for war purposes commodities having a value of \$2,600,000,000. That was an average of about \$7,000,000 per day.

Congress gave the Corporation another emergency assignment during the war—the consumer subsidy program. The objective of this program was to help farmers maintain or increase production in the face of rising production costs. Through payments made by the Corporation under this program—plus payments made by the Reconstruction Finance Corporation—the Government was able to hold prices of food at levels established by the Office of Price Administration. Stable prices meant a lot to consumers during the war.

While all this other wartime activity was going on, the Corporation had price-support ready to assure farmers that high-level production would not mean a crash in market prices. And price support can be credited with contributing much to the phenomenal production records farmers set during the war. Price support gave farmers confidence that their Government was back of them. Actually, however, little support was necessary. Wartime demand boosted prices of most commodities well above support levels.

The end of the war altered the pattern of the Corporation's activities in several major respects.

Consumer subsidy operations, for one thing, were slowed down greatly. By October 1947, they were completely terminated.

At the same time, relief exports were stepped up, because agriculture in Europe and Asia was hanging on the ropes at the end of the war. We had two reasons for wanting to export maximum quantities of food. We had a humanitarian, Christian interest in feeding hungry men, women, and children. We also had a practical, self-seeking interest in changing the mental climate of several areas abroad so as to stop the spread of communism. We were not too successful, as it turned out, in stopping communism in Asia; but we have done a good job in Europe. Certainly we deserve an A for effort everywhere. Exports of food rose from 17,399,000 long tons in the fiscal year 1946 to 22,107,000 long tons in the fiscal year 1949. Compare that last figure with the 1935–39 average of only 4,223,000 long tons.

The price-support picture began to change markedly in 1947. Despite record exports, despite a record domestic consumption, the pressure of large crops began to be felt. Large crops in 1948 and 1949 have brought price support to the fore again as the Corporation's major activity. In helping agriculture make the transition from war to peace—in carrying out the will of Congress—the Corporation has found it necessary the past 2 or 3 years to engage in price support on an unprecedented scale.

It is true that the Corporation, in carrying out the law, has taken some losses on some commodities. Congress cannot ignore those losses. Something will have to be done about potatoes. And there has been a considerable loss on eggs.

But when it comes to the basic commodities—cotton, corn, wheat, tobacco, rice, and peanuts—the cost record is very good. From 1933 through January 31, 1950, the Corporation made a net profit of \$206,000,000 on cotton alone. The net profit on the basic commodities as a whole during this period was about \$64,000,000. This proves that price-support activities do not necessarily have to be carried on at a loss.

All in all, the Corporation has discharged its responsibilities excellently within the framework of the legislation laid down by Congress. It has observed the letter as well as the spirit of the law. When the law, for example, says that the Corporation is to use the facilities of private trade to the maximum extent possible, the Corporation has operated in accordance with this mandate.

But we have a more serious fact to face here today—an urgent fact. The Corporation, in carrying out programs authorized and directed by this Congress has come close to the end of its financial rope. The Corporation, since 1945, has had a borrowing power of \$4,750,000,000. That sounds like a lot of money. It is a lot of money. But the Corporation, in carrying out programs laid down by Congress, has had to engage in some extremely large operations—so large, in fact, that a borrowing power of even \$4,750,000,000 will no longer do the job.

At the end of January, the Corporation had almost \$4,000,000,000 of its funds tied up in price support—funds representing the value of inventories acquired and loans outstanding. Don't think of this sum as a loss, as money that has gone and never will return. A large part of it is tied up in loans to farmers and in commodities held in storage. As I pointed out earlier, the Corporation made a profit during the war on its holdings. And a couple of bad crop years in a row could completely change the present price-support picture.

But let us face the situation that confronts us today. It is expected that the Corporation will have in use this spring a total of over \$4,300,000,000, primarily in the support of 1949 and prior crops. Net recoveries may reduce the amount in use to about \$3,900,000,000 by June 30, the end of the fiscal year. But the balance of borrowing authority available is not sufficient to permit the Corporation to meet its price-support obligations on 1950 crops.

Farmers want to know what we are going to do about increasing the Corporation's borrowing power. And they have a right to know. They have made their production plans. They have bought their seed and fertilizer. Yet they hesitate because we are hesitating. And here it is—past the middle of March.

I say that we cannot afford to hesitate any longer in granting the Commodity Credit Corporation the funds it needs to carry out operations this Congress has

written into law. We cannot afford to take a single chance on the success of the price-support program. Therefore, I recommend the passage—the prompt passage—of H. R. 6567.

If the Commodity Credit Corporation does not need the \$2,000,000,000 to carry out the farm program passed by Congress, it cannot loan, use, or waste the amount that is needed to carry out the wishes of Congress.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "\$4,750,000,000" and inserting in lieu thereof "\$6,750,000,000."

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Amend the bill by adding thereto a new section, reading as follows:

"SECTION 1. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.) is hereby amended to read as follows:

"It shall be the duty of the Corporation in the handling and disposition of agricultural commodities which it has acquired (except disposition to other Government agencies) to utilize the usual and customary channels of trade and commerce, including the employment of dealers and commission merchants for such services as are ordinarily performed for hire in the course of private commercial handling and disposition of like commodities; *provided, however, that nothing contained in this paragraph shall change or impair any of the powers of the Corporation as provided elsewhere in this act.*"

Mr. COLE of Kansas. Mr. Chairman, at the beginning of the debate today I said that everyone concerned with the Commodity Credit Corporation probably—and I now add the word "probably" in view of the subsequent debate—agrees with the objectives attempted to be obtained by this amendment. These objectives are that the Commodity Credit Corporation shall not drive out of business farmers' cooperatives or marketing cooperatives or small-business men who have been in the business of handling the grain trade for a 100 years.

Some statements have been made on the floor, and I am sure the Members who have made them have done so without examining the facts, in connection with the profit to be obtained by the use of private facilities or the private grain trade in the operation of the Commodity Credit Corporation.

Let me make it perfectly clear that there is no intent and no effort on the part of myself or any of the other people in favor of this legislation to do the slightest thing to hinder the Commodity Credit Corporation in the usual and necessary functions of its business in supporting the prices of the farmers.

The statement was made by the gentleman from Texas [Mr. PATMAN] that the cost in Kansas City alone, if this amendment is adopted, would be greater than the entire administration of the office in Kansas City. I challenged that statement then and I challenge it now. These matters can be handled by the



grain trade by the usual facilities for handling and disposition of this grain and of other commodities for less money and more efficiently than the Commodity Credit Corporation can do it itself.

My esteemed colleague from Kansas and I seem to have a difference of opinion in connection with this bill. Let me point out that this bill does not provide that the Commodity Credit Corporation shall use the customary channels of the business in the acquisition of their grain. They may continue in the acquisition, if the amendment is adopted, in the future as they have in the past.

There is no attempt to circumvent or supplant the activities of the PMA committees as they are now set up. The important objective of this amendment is that the Commodity Credit Corporation may not drive out of business these people who are there to serve the farmers.

Some Member talked a moment ago about great monopolies and people who make a great deal of profit. I am talking about the small elevators of which there are on an average of 17 in each County in Kansas. I am talking about the people who know how to do the job and who have been doing it for many years and can do it more efficiently and at less expense than we are now doing it.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. JUDD. The gentleman states that his amendment provides that the Corporation would use the normal channels of trade and commerce in the handling and disposing of commodities in its possession. I would like to have for the record a clarification of the language in the gentleman's amendment. It says:

The Corporation in the handling and disposition of agricultural commodities which it has acquired—

Mr. COLE of Kansas. Of course, that means which it has acquired or may acquire thereafter.

Mr. JUDD. It is not restricted to the disposition of those commodities it has on hand on the date of the passage of this act, but it means handling and disposition of those on hand now and those it may have on hand at any time in the future?

Mr. COLE of Kansas. That is right.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. GROSS. I can remember back in 1925 in the Chicago grain market when 27,000,000,000 bushels of grain were traded in and the production that year throughout the United States was only 5,000,000,000 bushels. But going beyond the question of the elevators, is there anything of benefit in your amendment to the grain speculator?

Mr. COLE of Kansas. I do not think there is. I cannot see there is any benefit to those who seek profit by improper speculation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. AUGUST H. ANDRESEN. The grain speculator or the speculator in

commodities has nothing to do with the gentleman's amendment.

Mr. COLE of Kansas. That is my point. I think the issue is this and this alone: Are we now ready to permit this giant Corporation—and recall that it will have a \$7,000,000,000 authority—to throttle the farmers and small business men? I hope this is not the intention, but the results to date are most discouraging.

We do not ask the Corporation to do anything which will impede its operations, but only that it give these people an opportunity to serve the farmers.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I admit I am not an expert in the handling of grain, and I do not know all the intricacies of the business. But I think I can read the English language. This bill repeals the present act. It says, "to the maximum extent practicable in the carrying out of the performance of the work of this Corporation it shall use the usual and customary agencies of trade."

The private interests are not satisfied with that. "To the maximum extent practicable" it seems to me would satisfy them if they intended to have these agencies used in the ordinary and customary way. This amendment repeals that. It makes it absolutely mandatory that they shall use private agencies to carry out the purposes of this organization. I am heartily in favor of the use of private agencies. I do not believe they should be invaded when it is not practicable to invade them. But I do not believe in tying the hands of the Commodity Credit Corporation. The legal effect of this is that they must use these agencies, whether it is practical or not. That means not only in the disposition but in the storage of grain and the handling of the grains. If you want to kill this Corporation, just adopt this amendment. I do not think you are doing any favor to the warehousemen in the last analysis. I know that you are destroying the usefulness of this Corporation to the farmers.

The distinguished gentleman from Kansas [Mr. HOPE] so clearly stated the effect of this amendment, I do not believe it is necessary to go any further. The amendment will do what he said it will do. The amendment repeals the substantial effect of the law on the statute books and makes it absolutely mandatory under any conditions to use private enterprise to carry out the functions of this Corporation whether they are available or not. What does that mean? It means where there are no storage facilities which are privately owned, you cannot establish storage facilities. Where the private agencies are not capable or not equipped to carry out the functions of the Corporation, they will not be carried out. The question or the issue is right here between the farmers and the dealer and commission merchants in grain. I want to see the dealers in grain and the commission merchants get a fair share of the business. I want

to see them prosper, but I do not want to see them prosper at the expense of the farmers.

I ask that you vote down this amendment.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California to the amendment offered by Mr. COLE of Kansas: Following the word "agencies", add the following: "or for utilization in the school-lunch program."

Mr. PHILLIPS of California. Mr. Chairman, actually I rise in support of the amendment offered by the gentleman from Kansas [Mr. COLE]; but without going into the details of that amendment, I offer an amendment to the amendment; and then I desire to ask the gentleman from Kansas a question.

My amendment is offered to the typed copy of the Cole amendment. It is not clear that school lunch programs are included in the disposition of these commodities in the hands of the Commodity Credit Corporation. I read from the Cole amendment:

It shall be the duty of the Corporation in the handling and disposition of agricultural commodities which it has acquired except the disposition to other Government agencies—

I have simply added "and for utilization in the school-lunch program."

Certainly there is no desire on the part of the House to put into the hands of middle men the disposal of commodities which are to be used in the school lunch program.

I yield to the gentleman from Kansas for any comment he cares to make.

Mr. COLE of Kansas. The gentleman spoke to me about the amendment earlier today. I think it is a good one; it is all right.

Mr. PHILLIPS of California. I thank the gentleman; I was sure he would approve it.

While the gentleman from Kansas is on his feet, may I ask him a question? His amendment carries the phrase "to utilize the usual and customary channels of trade and commerce." In our part of the country a great majority of the agricultural products are marketed, as already brought out here, through agricultural cooperatives. Would the gentleman understand that the phrase "the utilization of the usual and customary channels of trade," in the part of the world in which many of us live, the west coast, would mean the way in which these commodities are customarily marketed, which would be through agricultural marketing cooperatives?

Mr. COLE of Kansas. The gentleman has stated it precisely, and that is exactly what I have been trying to say all afternoon. All I am asking for by this amendment is that the usual and ordinary channels of trade be utilized by the Commodity Credit Corporation, and I think that does it.

Mr. PHILLIPS of California. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?



Mr. PHILLIPS of California. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Brannan's statement about an amendment like this is to the effect that there would be doubt as to whether the corporation could utilize newly formed farmer cooperatives where private trade facilities already existed; in other words, where a private trade facility already existed there is doubt in his mind as to whether or not a newly formed farmer cooperative could be used.

Mr. PHILLIPS of California. The statements of the Secretary of Agriculture are always interesting.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. COLE of Kansas. That statement was made in connection with the so-called Thye amendment which was submitted to the Committee. My amendment has been changed in order to meet that particular contention.

Mr. PHILLIPS of California. Does that answer the gentleman from Texas?

Mr. PATMAN. No; it does not.

Mr. PHILLIPS of California. Perhaps the gentleman from Texas can suggest a further clarification.

Mr. Chairman, I yield back the balance of my time.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the proposed amendment.

Mr. Chairman, I would like to make my position clear in connection with this bill. I am not condoning some of the things which have taken place in the past year in the operation of the Commodity Credit Corporation. The Commodity Credit Corporation has not done the most efficient job that could be done either in the handling of settlement of contacts with elevators or in the disposition of their commodities. There are many reasons for that which I do not think I should go into this afternoon; but because of that, I do not think it is fair for me, thinking in terms of my farm neighbors, to place upon this bill, a bill which has meant so much, restrictions that will hamstring the operation of the program and make it ineffective and unworkable.

When we market our grain we make use of our local marketing facilities. When these facilities are not able to handle our grain, as has been the case many times in the past, it has been necessary for us to make use of these commodity credit loans. These commodity credit loans in our county are administered by PMA committeemen, locally elected farmer committeemen who are doing a real outstanding job of administration. They understand the problem very well.

With this amendment attached to this bill it would make the administration of the program absolutely unworkable and impossible for them. There should be no misunderstanding about that; that is exactly what it would do.

In marketing grain in our local communities we use those facilities available to us. Many times we are forced to market our grain when the market is glutted. That means that facilities are not available for the handling of the

crop being marketed. I am talking about the local elevators. If we place the additional burden in some spots upon those facilities of handling the grain which the amendment proposed by the gentleman from Kansas would impose, it would create a collapse in that local market because they would not be in a position to handle so much of the commodity at one time.

In Minnesota it was very difficult to know, for example, last fall what the price of corn would have been had this amendment been in effect. The matter of the Commodity Credit being able to contract for space, going into local centers and making loans is the thing that helped sustain that market. Many times in local communities it does not require facilities for a large volume of grain handling, but it does require that the grain be properly handled. If the Secretary of Agriculture cannot deal in this sort of proposition, then the farmer out there is placed at the great disadvantage of not having a proper support for his farm program.

We can pass all the farm-support legislation we desire here in the Congress, but there is some place these commodities must go. When the farmer takes the grain in his truck to town that grain has to be put in storage. If the local elevator is loaded during that time of the marketing season so that it cannot handle the grain, it means that the price at that local point is severely dropped. There are some people who, if they want to be selfish, and there are a few of these in the grain trade, can force the price down in that local market. If there is no possibility of maintaining Government-owned storage space when private facilities are not available, the farmer can get absolutely no value from the price-support program in that locality. That has happened, and the record of the Commodity Credit will show that all local facilities have been used by the Commodity Credit Corporation where available. When that has happened the only thing that the Secretary of Agriculture could do to help protect the farmer in that locality was to contract for and maintain storage space. That is absolutely the only thing that could be done. If you are going to take that away from your program, why have an unworkable price-support program?

I would like also to make one statement in connection with elevators. I am thoroughly familiar with what happened to elevators before we had the Commodity Credit program. Every cooperative elevator, every elevator as a matter of fact, has profited in the handling of grain through the Commodity Credit Corporation if they have entered into an agreement with that agency. The elevators were going bankrupt by the hundred until the Commodity Credit came into effect. The price-support program is needed; let us defeat the amendment so that the program will work for the purpose intended: to sustain farm income for the national welfare.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS] to the

amendment offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 65, noes 84.

So the amendment to the amendment was rejected.

Mr. JOHNSON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON to the amendment offered by Mr. COLE of Kansas: After the word "merchants" add the words "and farmer cooperatives."

(Mr. JOHNSON asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON. Mr. Chairman, in the part of the country I come from we have large fruit crops. We do not have farm supports but we get the benefit of section 32 funds as provided in the Agricultural Adjustment Act. One of the products that is in surplus supply and has been for a number of years is the well-known fruit known as the prune. There are hundreds of thousands of dollars' worth of prunes in the warehouses of the Commodity Credit Corporation. I want to be sure, if this amendment of the gentleman from Kansas [Mr. COLE] should pass, that in selling those prunes the CCC will use the cooperative that handles that particular product. It has been in business for a long time and they know all the outlets and know all the tricks of the trade. It seems to me that you could interpret the amendment offered by the gentleman from Kansas [Mr. COLE] to mean that they would have to hire commission merchants or other similar services to get rid of this fruit, disregarding the cooperative which was organized to market this fruit. All I want to be sure of is that, in the event this amendment passes, it will have in it a provision that in handling certain types of commodities the farmers' cooperatives, whether they are in existence or will be hereafter formed, that market the various fruits, will be utilized to get rid of the crop and recoup some of the Government's money invested in it.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. I think the gentleman is correct. Certainly, there is no effort, as I said before, to circumvent the usual channels of trade, and that is the usual channel of trade. Therefore I agree with the gentleman.

Mr. JOHNSON. I thank the gentleman.

Mr. COMBS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON. I yield to the gentleman from Texas.

Mr. COMBS. Are your cooperatives handling prunes having any difficulty now under existing law in disposing of the commodity?

Mr. JOHNSON. They are not; except this, the surplus is so great that the Commodity Credit Corporation is having a hard time disposing of it.

Mr. COMBS. This problem that you envision in the Cole amendment is not in existing law or in this bill as it stands?



Mr. JOHNSON. No. There is no trouble the way it is being handled now, so far as we are concerned.

Mr. COMBS. If the Cole amendment is not adopted, then you do not anticipate the trouble you are shooting at with your amendment?

Mr. JOHNSON. That may be true, but I want my amendment if the Cole amendment should pass.

Unfortunately, the discussion of some of these things got into politics. I do not think that the agricultural problem is a political problem. I just mentioned, when I interrupted the gentleman from Kansas [Mr. HOPE] to say that in 1910, after Hiram Johnson was elected Governor of California, in the following session of the legislature in 1911 we passed what I think is the pioneer cooperative marketing program in the United States. The man who operated the agency was Mr. Harris Weinstock, a noted merchant of California. The attorney for the agency was a young man at that time, Aaron Shapiro, and he worked on the administration of the act and made it a very practical proposition. This young lawyer was called to various parts of the United States and wrote literally dozens and dozens of laws in all parts of the Union with the California law as a model. I merely mention that to show you that cooperative marketing in our part of the world is 40 years old, and we think it is a very important factor in our economic life. It has never been in politics, although started by Republican legislature and signed by a Republican governor.

We have cooperatives in almost every type of agricultural product, and they are doing a splendid and an excellent job. For instance, last year the grape growers that grow Tokay grapes faced a rather disastrous-looking situation. They took hold of the job and restricted the output as far as it went into the market for table grapes and handled their situation well, and made a reasonable profit on the table grapes and put the other grapes into wine. We have cooperative wineries also, and they are doing a good job.

The cooperative movement, to my mind, is the most healthy and optimistic part of our California economy. These groups of people have joined together voluntarily to discipline themselves, raise the standard of their particular products, and to get a fair price for their products in the market.

Mr. Chairman, I hope that the amendment that I offered will receive your favorable consideration.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the phrase "usual and customary channels of trade and commerce" will include cooperatives. The only point that I raised, and the one that Secretary Brannan commented on, was this: that if you have a dealer and you have a commission merchant in a town and they are getting all this business, if the farmers organize a new farmer cooperative, why, under this provision they could not be dealt with, because they would not have been the usual and customary people who had been handling

this business. So you do not need the word "cooperative" in there at all.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. JOHNSON. The point is that if it is not the law at the time the company is organized, they cannot buy.

Mr. PATMAN. Well, they would not have been customarily used in the past for business.

Mr. JOHNSON. Why will that phrase not apply to anybody at the time they go into operation?

Mr. PATMAN. You just have to use the common-sense language of it, that is all.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It seems to me there is a difference between channels and institutions. The channel is the method. It does not apply to any particular company or firm.

Mr. PATMAN. Anyway, I am not going to spend any more time on that.

This amendment is bad. It will take the heart out of this bill. You might just as well kill the Commodity Credit Corporation, if you are going to turn it over to a bunch of middlemen, because all of them are not sympathetic with the law, and many of them will try to scuttle it. A vote for this amendment is a vote against the bill.

Mr. A. S. Goss, master of the National Grange, said this about a similar amendment in the Senate, and notwithstanding the protest of the gentleman from Kansas that they are not similar, I say that they are similar. This amendment is just as far-reaching as the amendment put on in the Senate. For that reason they had to recommit the whole bill to try to get rid of it.

This is what Mr. Goss said:

We believe the bill should also be amended to eliminate these sections which would channel all operations through the grain trade, who might easily wreck the Corporation's essential stabilization operations or make them prohibitively expensive.

That is just as plain as you can write the English language.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Tennessee.

Mr. SUTTON. Is it not a matter of fact that the amendment offered by the gentleman from Kansas would add additional cost to the Commodity Credit Corporation's cost of handling?

Mr. PATMAN. Certainly. The case in Kansas City is on all fours with that. In Kansas City last year they handled in one transaction 30,000,000 bushels of grain. The customary charges were a cent and a half a bushel. That is \$450,000 that the Government would have had to pay right there on the grain transaction. Notwithstanding the fact that the Commodity Credit office in Kansas City handled tens of millions of dollars worth of business involving everything, the total expense of that office last year was only \$425,000, so here you would

be making a charge which would add onto our deficit more in one transaction than the entire office cost in a year in Kansas City.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. McCARTHY. Does the statement by Mr. Goss refer to the so-called Thye amendment, to which the gentleman from Kansas [Mr. COLE] referred just a minute ago?

Mr. PATMAN. It does. It refers to any amendment which would channel all operations through the grain trade. This amendment would channel all operations through the grain trade, "who might easily wreck the Corporation's essential stabilization operations," Mr. Goss said, "or make them prohibitively expensive." So this amendment must be defeated. It would take the heart out of the bill, it would ruin it. It would be guaranteeing a profit to the speculator, the middlemen's middleman, and forgetting the farmers. This is a farmers' bill, not a middlemen's bill.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Nebraska.

Mr. O'SULLIVAN. I want to compliment the gentleman on his fine discussion of this matter. I am sure he is right. I agree with him that this amendment ought to be defeated, because it does not have one good thing in it. It is a most skillfully destructive piece of legislation which will not help labor and will injure farmers by destroying the usefulness and efficiency of the Commodity Credit Corporation.

Mr. PATMAN. The gentleman is exactly right. I hope the amendment is defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California to the amendment offered by the gentleman from Kansas.

The amendment to the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in support of the Cole amendment.

Mr. Chairman, the Commodity Credit Corporation could use the facilities provided in the Cole amendment if they elected to do so, because existing law gives the Commodity Credit Corporation the right to use existing trade facilities as far as practicable.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kansas.

Mr. HOPE. Does the gentleman believe the Commodity Credit Corporation should be compelled to pay cash commissions to the cash commission merchants in the terminal markets when they do not perform any services and cannot perform any services on grain that has already been taken over by the Commodity Credit Corporation? That is the only issue here.

Mr. AUGUST H. ANDRESEN. Let me point out what services can be performed through the regular channels.



In the first place, services are performed by the country elevators, both cooperative and private elevators. They favor this amendment. One of the leading supporters of the administration, a farm organization, is the Farmers Union. The Farmers Union is for this amendment. They want this passed so that they will have a chance to share in the business of handling and channeling this grain to the CCC.

What services do they perform and what services are performed by the so-called commission grain merchant? He is not a speculator. He is simply a handler of grain which is sold in the normal channels of trade from the farmer to the ultimate receiver of the grain, which in this instance would be the Commodity Credit Corporation.

In the first place, the commission grain merchant and the elevator operator would handle the invoices and the receipts of the grain, handle the weights, determine the grades, pay the freight, and perform every other service, including making settlement with the farmer who is to receive the money from the Commodity Credit Corporation. In other words, I am convinced that the grain merchants, who have the experience in the handling of grain, would do a better job of it than the CCC at less cost. The gentleman from Kansas [Mr. HOPE] is in error when he assumes that the country elevator operator and grain merchant, would not perform any service. I am sure that the gentleman from Kansas does not propose to drive all grain merchants out of business and that country elevators be only used as Government storage bins. The elevators, cooperatives and private, are performing valuable service in the marketing of the farmers' grain, and they are entitled to receive consideration at the hands of the Government, instead of being driven out of business.

It is claimed here and my colleague, the gentleman from Kansas [Mr. HOPE], said that the commission charges would be 2 cents a bushel. I am reliably informed that the elevators and commission merchants have offered to handle this business at 1 cent a bushel. Let us see what the situation is throughout the Middle West where I happen to live. All of the grain is being handled by the Commodity Credit Corporation, in Minneapolis. The farmers who sold their grain to the CCC as far back as June of last year have not received settlement for the grain which they turned over to the Commodity Credit Corporation through the PMA committees. They are still waiting for the returns. They do not know what the weights are or what the grades will be. They do not know how much they are going to receive for their grain which the Commodity Credit Corporation took over.

The Commodity Credit Corporation have put on over 500 employees in Minneapolis to try to clear up this mess which could have been so easily avoided, if the Commodity Credit Corporation had used the regular channels of trade going through the elevators and the regular grain merchants. The CCC pay roll in Minneapolis to handle this mess that we find ourselves in is running very

large. Many of the employees are inexperienced and they are having a great deal of difficulty to straighten out this mess from the 1949 grain crop.

There is only 1 cent a bushel involved for the CCC to use the normal and customary channels of trade where the farmer would receive settlement within 24 hours after he had delivered his grain through these normal channels of trade. I recognize that Commodity Credit Corporation officials state they do not want to become the buying and merchandising agency to handle farm products. That is all right, but look at the way it is working. The CCC is reputing on thousands of Government employees throughout the country, building themselves up as a big buying and merchandising organization and they refuse to use the normal channels of trade. I am satisfied that the CCC could work out a satisfactory arrangement with regular grain handlers and dealers, so that Government would save a substantial sum of money in the handling of Government purchased grain.

If this amendment does not pass, I would suggest that the CCC work out some satisfactory arrangement with elevator operators and grain merchants in an effort to reduce costs and perform a better service for the farmers.

Mr. WHITTEN. Mr. Chairman, I arise in opposition to the Cole amendment.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, it seems to me as if our friends on the left side of the aisle are making the mistake they made just a few years ago. It strikes me also that their memories are rather short. When our Republican friends were in control of the House a couple of years ago restrictions were placed on the Commodity Credit Corporation with regard to constructing warehousing.

You will recall that fall that millions of bushels of grain and many other commodities were piled on the ground throughout the Midwest and the farmers could not receive the benefits of the loan program because warehousing was not available. Today if the Cole amendment is adopted requiring the Commodity Credit Corporation to go through the regular channels of trade you put into the hands of warehousemen the same power of restricting the availability of the farm program to the farmers. We had an election shortly after the Commodity Credit Corporation was prohibited from building warehouses before, and I think you will recall what happened as a result of the dissatisfaction of the farmers because of their inability to receive the benefits of the farm program, which they attributed to the restrictions which had been imposed upon the Commodity Credit Corporation.

Last year the Committee on Banking and Currency brought into the House a bill which permitted the Commodity Credit Corporation to build warehouses. I supported that bill, which became law not because I wanted the Commodity Credit Corporation to build warehouses to put private enterprise out of business.

I believe if there is any way to get the regular trade to provide the storage space then it should be used. However, it was my belief that the best way to get private enterprise to provide storage was for the CCC, to have the right to build in order to cause the folks in the warehouse business to cooperate and make their storage available to the farmers of the country so that they can receive the benefits of the loan program. We had the officers of the Commodity Credit Corporation before our subcommittee on Agriculture Appropriations.

The Commodity Credit Corporation, so far as building warehouses is concerned, has agreed that it will not use the fact that those in the warehouse trade may demand exorbitant prices as an excuse to build Government warehouses, but that they will give the private trade an opportunity to provide storage at reasonable rates and then if the industry will not make such storage space available for farmers the CCC will provide warehousing space. As long as the Government has the right to do that they have the power of bargaining to get reasonable rates and a means of urging those in private business to make their grain elevators and other warehouses available to farmers so that they can obtain loans. The present act states that the Commodity Credit Corporation shall use the regular channels of trade as far as it is practical to do so. It may be that they have not used the regular channels of trade as much as they should; and if they have not, we should see to it that they do use the regular channels to the full extent intended under the law. But to require that they use the regular channels of trade is to play right into the hands of the people in the warehouse business and to permit a few associations to prevent the farmers from receiving the full benefit of the farm-support program that we have, not to mention the millions of dollars such provision would add to the costs of the farm programs.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] said that these people in the trade out in Minneapolis have agreed to handle this wheat at 1 cent a bushel rather than at 2 cents per bushel. Why? They have agreed because the Commodity Credit Corporation is not required to use them. The CCC is in position to bargain. But if you require the Commodity Credit Corporation to use the regular channels of trade, what way is there for the Commodity Credit Corporation to obtain reasonable rates from the trade? If, therefore, you pass the Cole amendment, as I see it you are putting into the hands of the warehouse people the right to cripple and to prevent the operation of your present price-support program. In addition, you are putting into their hands the power to fix the rates and the commissions that they will charge the Commodity Credit Corporation.

In the last few years the Commodity Credit Corporation has been charged with a great many millions of dollars on commodities which have gone into the Marshall plan or ECA because they have been required to sell commodities below the amount of money that the CCC had



invested in such commodities. These commodities should have been charged to the ECA program at the cost to us and not to agriculture. I say to you that if you adopt the Cole amendment that you are placing on the farm program of this country tremendous costs which are charged up to agriculture but which should not properly be so charged. These payments would go to the so-called middlemen in the regular channels of trade in cases where actually no service would be needed and in many cases no service actually performed.

The present law directs the Commodity Credit Corporation to use the regular channels of trade where their services can be utilized.

Let us leave it that way and defeat this amendment.

Mr. SPENCE. Mr. Chairman, I wonder if we cannot agree on time to close debate on this amendment and all amendments thereto. I ask unanimous consent that all debate on the Cole amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. O'HARA of Minnesota. Mr. Chairman, I object. I have been on my feet for half an hour trying to get recognition.

Mr. SPENCE. Mr. Chairman, I move that all debate on the Cole amendment and all amendments thereto close in 15 minutes. The debate on this amendment has continued for more than an hour.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA] for 2½ minutes.

(Mr. O'HARA of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that my colleague may have 1 minute of my 2½ minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for 3½ minutes.

Mr. O'HARA of Minnesota. Mr. Chairman, I am particularly grateful to my colleague from Minnesota, because for the last hour I have been trying to get recognition to speak on the subject. I received some light on this matter last fall myself. In December, before returning to Washington, I was asked by a group of our farmer-elevator people to meet with them in connection with this very problem. I did meet with these groups which represented a number of elevators. These people have been up against just exactly this sort of situation, and I am sorry the cotton people have not had the same treatment our grain people had, because we then would have some support from the cotton industry. But I say to you that the Commodity Credit Corporation in its handling of the grain out in the Minneapolis area has been abominable. On ship-

ments of various types of farm commodity purchases, even after the lapse of 6 or 8 months time, the shipping elevator has been unable to get either acknowledgment of shipment, quotation of price, or grade of the commodity shipped. When I got back to Washington with my colleagues from Minnesota [Mr. H. CARL ANDERSEN and Mr. AUGUST H. ANDRESEN], we had a session with the Commodity Credit people. They claimed they had insufficient help at the Minneapolis office and that was to blame for this situation.

The gentleman from Mississippi is completely wrong when he says this has to do with the warehousing business. This has to do with grain elevators. He is ordered to ship the grain, he does so, and cannot get businesslike treatment. It is abominable when an elevator cannot get an acknowledgment within 6 or 8 months.

What happens? The Commodity Credit Corporation down here got busy and ordered the Minneapolis office to check up on their Minnesota elevators. In Minnesota they started paying them off. One little elevator was overpaid several thousand dollars. The people up there have made a mess of handling what should be an orderly procedure.

I hope some of my associates from the Farm Belt are not naive enough to think the Commodity Credit Corporation is going to cooperate in any way with the grain business. It has served notice on some of the grain commission people that they have no part in the Commodity Credit Corporation, that the Commodity Credit Corporation is not going to recognize them. If it is the intention of the Congress and this House to serve notice on the usual courses of trade that you are going to drive them out of business, just refuse to adopt the Cole amendment.

To show the uniformity of feeling on this among the grain elevator people I enclose a copy of resolution adopted at the Farmers Elevator Association of Minnesota State convention on March 6, 7, and 8, 1950:

PRINCIPAL RESOLUTIONS PASSED BY THE FARMERS' ELEVATOR ASSOCIATION OF MINNESOTA CONVENTION MARCH 6, 7, AND 8, 1950

#### STATEMENT

The members of the Farmers' Elevator Association of Minnesota, meeting in Minneapolis, Minn., in convention March 8, are entirely dissatisfied with the present method of grain handling by the Commodity Credit Corporation, and we ask that this organization be legislatively obliged to recognize the requests of our membership representing more than 100,000 farmer members, and requests made by other similar State elevator associations, that this Corporation be obliged to use the usual and customary channels, facilities and arrangements of trade and commerce in the handling of grain which accrues to it under the Government price-support program. We, therefore, present to you the following resolution embodying complaints against the Commodity Credit Corporation, and our urgent plea for legislative correction of these present evils:

"Whereas our cooperative and independent elevator have had rights and protections available to them in the ordinary course of business eliminated by the Commodity Credit Corporation in the handling of grain for that Corporation under the loan program; and

"Whereas correction of the present terribly inefficient methods of handling grain by the Commodity Credit Corporation through the use of normal channels of trade were not recognized in a meeting with officials of that Corporation in Chicago; and

"Whereas all segments of the grain industry, including all cooperative and independent elevators are together in the fight against Commodity Credit Corporation; and

"Whereas we have found no one except the Commodity Credit Corporation officials against us in this effort, plus the fact that the Commodity Credit Corporation officials have practically no defense against the evidence we have presented; and

"Whereas the representatives of our association, together with other members of the grain industry presented through the National Grain and Feed Dealers' Association on amendment to the Commodity Credit Corporation charter before the Senate Agricultural Committee and the House Banking and Currency Committee; and

"Whereas we have seen evidence of further encroachment into the grain business by the Commodity Credit Corporation: Be it therefore

"Resolved, That proper steps be taken by the Congress to pass an amendment to the Commodity Credit Corporation charter corresponding with that already presented by the National Grain and Feed Dealers' Association so that in the handling of Commodity Credit Corporation shipments, country elevator people will be afforded proper protection and will, through the use of the established trade channels, receive efficient, expert service on all shipments from the original loading point to unloading destination, and through this eliminate the inequities, costly delays of settlements and general inefficiency of the Commodity Credit Corporation."

We have not gone into the major detailed complaints which we have officially registered with the Commodity Credit Corporation officials and with the Senate Agricultural Committee and House Banking and Currency Committee, for these complaints are now a matter of record and are quickly available to all Members of the Congress.

We have failed to receive any help thus far in our just demands and it is frankly difficult for us to see why corrective measures such as we ask should not be granted when we find everyone connected with the handling of grain joining us in our plea for relief and the only opposition we seem to encounter is that from the Commodity Credit Corporation themselves.

Copies of this resolution should be sent to the Senate Agricultural Committee, the House Banking Committee, and all United States Senators and Congressmen from Minnesota.

"Whereas the rate for handling bin-stored grain owned by the Commodity Credit Corporation varied not only in different States, but also in different counties within the same State in 1949; and

"Whereas the rates now under consideration by the Commodity Credit Corporation for storing and handling grain under the 1950 price-support program are not only lower than last year, but the rates under consideration for 1950 for the Minneapolis area are lower than the rates under consideration for most other grain areas: Now, therefore, be it

"Resolved, That this association hereby urges the Commodity Credit Corporation to establish, for the country storage and handling of grain under the 1950 price-support program, rates, which will be uniform both (1) throughout all of the area comprising the States of Wisconsin, Minnesota, North Dakota, Montana, South Dakota, Nebraska, Kansas, and Iowa, and (2) for grain owned by the Commodity Credit Corporation as well as for grain owned by farmers sub-



ject to the Commodity Credit Corporation loans and that 1950 rates be established not lower than 1949 rates."

To further show the situation, I enclose and make a part of my remarks the following from the Farmers' Elevator Guide, Minneapolis, Minn., which deals with this very subject of which we are speaking; and which statements are, of course, from people who know their business and not someone who is playing politics in any way, shape, or manner:

#### BRANCHES NEED TRIMMING

Those conferences between Congressmen and representatives of national cooperatives and other grain groups in Washington this month have pointed up the seriousness of the grain-handling situation in the United States.

The program of price supports which aided in the creation of huge surpluses of grains and resulted in an annual storage problem, has been attended by some undesired contingencies. The Production and Marketing Administration and the CCC have grown to gargantuan size until today the very grain handling and marketing system is enmeshed in its operation. The picture—drawn from protestations of the people engaged in the grain industry—is one of a huge gorilla sitting in a grain bin, sifting the kernels through his fingers or swirling them about his head like a child in a sand box. It is not a pretty picture of efficient grain handling and marketing.

It is difficult to argue in favor of an organization which has become so involved in its own book work that a carload of grain shipped by a country elevator operator to a terminal can disappear into the channels of trade while the shipper waits as long as 8 months without receiving an acknowledgment of its receipt. If that happened in private business, Joseph Stalin, himself, would make a trip to the United States, mount a soapbox and use that as an example of how decadent and broken down the capitalistic system and free enterprise has become.

The harm from Government intervention in the business affairs of the farmer as it is related to production and marketing is not in the setting up of a system of price supports to cushion farm income against devastating fluctuations. The harm is in setting up a network of Government jobs in related industries which duplicate or eliminate positions which private industry has employed to handle the business capably and at a fair cost.

Anyone who believes government can duplicate business enterprise at less cost either is ignorant or unwilling to consider all figures involved in such enterprise.

If the CCC, as accused, will not let country elevators be represented by an agent of their own choice at the terminal, then the CCC is usurping a part of the grain-handling function in which it has no business to be operating beyond duties as an expeditor.

It would seem logical to assume that Blank-Blank Commission firm or Blank-Blank Cooperative Terminal Association is just as capable of handling a carload of CCC-consigned grain as it is to handle a carload of non-CCC grain. A little more bookwork is involved, naturally, but there seems to be no need for government to substitute CCC personnel for industry personnel anywhere along the line. Congress, in authorizing CCC operation, attempted to make that clear.

This is not a chant against the PMA and CCC. It is, instead, a plea to officials of those organizations to curb their overzealous efforts to expand organizational personnel into control of every detail of operations related to their sphere of influence. It is a suggestion that there are branches which can be trimmed off to benefit the tree itself.

#### AS OTHERS EXPRESS IT

Ralph S. Trigg, president of the Commodity Credit Corporation, USDA, in soliciting information on available storage facilities for CCC grains:

"We look to the commercial trade to provide the facilities necessary to handle these grain stocks. We hope that they will be in position to take care of the whole job. We prefer this, and it is in accord with the principles laid down in the Commodity Credit Corporation charter.

"If adequate commercial storage is not available, then, and only then, the Corporation will take steps to augment its own temporary bin-type storage facilities. We have an obligation to see that the grain can all be handled so that there will be no hitch in the farm price-support programs.

"We must know whether the loan grain which is already in commercial storage can remain there on a satisfactory annual basis after CCC takes title. We must know what commercial facilities will be available to house the grain which is now on farms, but which will be turned over to the Corporation in May. When we know this, then we can tell how far CCC will have to go, if at all, in expanding its own emergency storage."

#### CCC CHICAGO HEARINGS HELD

The Washington hearings were preceded by a conference at Chicago in which Eimer Kruse, official of the PMA, heard north central States representative of various branches of the grain handling industry list their complaints.

This conference was called by Oscar A. Olson, president of the Minnesota Farmers' Elevator Association who said: "The Government is not equipped to give adequate service to the farmers in the marketing of their grain."

Keith Farlow of Grandin, N. Dak., explained the views of country grain elevator men. He stated that in non-Government trading, agents at the large terminals represent the country dealer in transactions and follow up the shipments to their ultimate buyers. In a Government transaction, he said, the CCC carries through the distribution without the aid of agents. Country elevator firms want their agents to represent them at the terminals, Farlow said.

Commission men, with Ray Sims of Duluth, Minn., president of the Federation of Cash Grain Commission Merchants Associations, serving as spokesman, charged the Government with bungling the job.

Sims pointed out that the National Federation of Grain Cooperatives demands that commission men be given added duties under the Government program.

"That is quite a victory for us since the terminal cooperatives act as their own commission men and actually are competitors of ours," he said. "However, they do not want the Government encroaching on free enterprise, and the sooner we get things straightened out the better."

#### CONGRESS HEARS COMPLAINTS

Congressional sessions were specific and hot. Appearing before the Senate Agriculture Committee in connection with the bill to grant an additional \$2,000,000,000, lending authority to the CCC, grain elevator operators from Minnesota and Iowa said in some cases the CCC owes thousands of dollars for grain it had received but never paid for.

The grain men told the committee that carloads of grain had vanished as long as 8 months ago and no one seems to know where they are.

Several hundred protests were entered against the present contract. The grain men contended that the tentative draft did not include provision for country elevator operators to be represented by agents at terminal markets.

The operators claimed that by use of their own agents they will be notified immediately of receipt of their shipments and down-grading—if any—and that their interests will be protected.

They charged that the CCC appears to be setting up its own grain handling system to compete with the facilities of the cooperative and independent elevators and terminal commission men.

The Government now owns 375,000,000 bushels of storage space and with addition of another one hundred million this spring will have a total near half a million under its operation. With possible needs demanding another 300,000,000 bushels of space in the near future, the holdings would rival the entire country elevator set-up in size.

I want to say that I have had telegrams from many of the elevators in my district, urging an amendment to this bill which will give small business such as represented by the average country elevator an opportunity to continue in business.

This amendment may be defeated but I assure you that the fight will go on in regard to the matter of efficient handling of commodities shipped by our farmers and farm elevator people.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PACE].

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that my time may be allotted to the gentleman from Georgia [Mr. PACE].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. PACE. Mr. Chairman, I am willing to go to any length necessary to protect private industry. I shall not attempt here to discuss the handling of wheat as I am not too well acquainted with that subject. I think there is an area within which we can work out something of this kind. I understand the Senate Committee on Agriculture is now attempting to do so. But I do not believe that the author of this amendment or anyone else wants it in its present form.

I want to tell you what it would mean with regard to cotton. You understand, it covers cotton and every other commodity. For example, I produce a bale of cotton. I take it to the cotton warehouse. A sample is taken and that sample is classified and the grade and staple is determined. The warehouseman issues what is known as a warehouse receipt on which is stated the number of pounds, the grade, and the staple.

Then say I prefer to take a loan rather than to sell my bale of cotton, so I go



to the bank down home and say: "Here is my cotton receipt. I want to borrow 90 percent of parity, the support price." Without any hesitation the banker prepares a note for 90 percent of parity. We will say it is \$100. I sign a note for the \$100 and I endorse the back of the warehouse receipt for the bale of cotton and attach it to the note.

The bank holds my note and receipt for the money loaned. That note calls for 3-percent interest. The bank gets 1½ percent, the Commodity Credit Corporation, the Government, gets the other 1½-percent interest because the Commodity Credit Corporation guarantees the bank on my loan and for that guaranty the Commodity Credit Corporation gets 1½ percent and the bank gets 1½ percent. The 1½ percent the Commodity Credit Corporation gets practically pays for the administration of this part of the program.

I have gotten my loan. The bank holds my note for \$100 and holds my warehouse receipt with my endorsement on it. The loan extends for a year. If I made the loan last fall it will be good until the 1st of July. Now, I do not pay my note, and in accordance with the agreement my note is in default. The Commodity Credit Corporation takes over my bale of cotton.

What do they do? The bank in my home town mails the note and the cotton receipt to the Commodity Credit Corporation, that is all. The cotton stays in the warehouse where I put it. It is never moved, and will stay there until that bale of cotton is ultimately sold, whether it is this fall or 5 years from now. All in the world that is done is the Commodity Credit Corporation sends the bank the amount it loaned me, plus 1½ percent interest, and keeps the receipt for the bale of cotton. Under this amendment, if you please, in order to get the transaction closed, the Commodity Credit Corporation would have to go to a cotton buyer in my home town and pay him to walk around to the bank, pick up the piece of paper, the warehouse receipt, and take it up the street one block to the PMA office, and say, "Here is your receipt for the bale of cotton." For that, under the regular custom, the cotton buyer would get \$1. That would be charged to the farm program. That would give the critics of the farm program that much more to complain about, and the commission merchant would have performed absolutely no service.

Now, let us lock arms here. If the wheat program is not functioning right, let us make it right. If there is more to the wheat program than picking up the receipt for a bale of cotton, if something has to be done that requires the services of a commission merchant, let us use him. But, for goodness' sake, my friends, do not come here and put four, five, or six million dollars onto the cotton program for absolutely useless, unnecessary service in employing commission merchants. You do not mean to do that. My distinguished friend from Kansas, the author of the amendment, does not want to do that. Under this amendment it does not say you shall use the commission merchant as far as practicable or where needed. It says you shall use him

and pay him, and they have no discretion.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Of course, the gentleman knows that we have no intention whatsoever to destroy the efficiency of the program, but grain is handled entirely different than cotton.

Mr. PACE. I cannot argue that question.

Mr. AUGUST H. ANDRESEN. The thing is in a mess in the grain area of the country up in our section. It is in a mess and we have been trying to get the Commodity Credit Corporation to straighten it out, but they have refused to do so, and the farmers have suffered as the result of it.

Mr. PACE. I do not take any issue with the gentleman as to that. He knows his problem, but I know you do not want to apply this thing to other commodities like you propose to do. This amendment should be defeated and whatever problems now exist should be thoroughly considered and studied by the proper legislative committees and should be worked out in a sound, sensible, and practical manner.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear in the Appendix of the RECORD.]

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, a few minutes ago the gentleman from Mississippi [Mr. WHITTEN] spoke of the lack of grain-storage facilities in the fall of 1948, and he blamed that shortage upon the Republicans. Now, let it be understood that the Commodity Credit Corporation was selling grain bins by the thousands in the fall of 1948 for a few cents on the dollar. I should like to ask the gentleman from Mississippi, since I see him on the floor, what provision there is in the pending bill to prevent the Commodity Credit Corporation from committing that evil all over again.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, I might say to the gentleman, if I made the statement that you are responsible, I do not know that that could be proven, but if I have said that the Republican Party got credit for having caused this serious situation, I would have certainly been correct.

Mr. GROSS. You could not hold me responsible because I was not in Congress.

Mr. WHITTEN. But the Republican Party certainly got credit for it.

Mr. GROSS. They most certainly did get blamed unjustly, and I would like to have somebody tell me whether there is any restriction in the present bill that will stop the Commodity Credit Corporation from committing that evil all over again, using such a situation as a political football.

Mr. WHITTEN. Well, I do not know, but we do have an agreement in the

Subcommittee on Agricultural Appropriations that they will not go in and take over the warehousing business, but that they will give the warehousing industry an ample opportunity to meet the needs before they build any bins. It may be that they are not carrying out the law. We will try to help you if we can.

Mr. GROSS. I thank the gentleman from Mississippi.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the gentleman from Georgia has told you exactly what would happen as far as cotton is concerned if you adopt this amendment, and that is you would be paying a commission to somebody who did not earn it and who could not earn it, because there was no way he could possibly earn it. And you will have exactly the same situation with respect to wheat if you adopt this amendment. You will be paying a commission to cash commission merchants in the terminal centers who perform no service, who can perform no service to the Commodity Credit Corporation, and yet you would have to pay them as near as I can figure about \$11,000,000 a year.

Now, I hope that no one who is in favor of cutting down expenses in this Congress and saving money for the Government, will go ahead and vote for \$11,000,000 to pay commission merchants, in the terminal grain centers for a service which they do not perform.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, as time is running out and I am informed that this bill will go over until after Easter unless it is passed tonight, I yield back my time and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and on a division (demanded by Mr. COLE of Kansas) there were—ayes 43, noes 143. So the amendment was rejected.

Mr. KEATING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING: On page 1, line 5, strike out "\$6,750,000,000" and insert in lieu thereof "\$5,750,000,000."

Mr. KEATING. Mr. Chairman, it is only necessary to look at page 2 of the report stating the purpose of this bill to realize that there is no necessity now and there has not been stated by anyone to be a necessity for increasing the borrowing authority of the Commodity Credit Corporation by \$2,000,000,000. One billion dollars will amply do the job. The only exception to that broad statement is what the chairman of the committee told us as to the attitude of the Secretary of Agriculture, who stated that the \$2,000,000,000 was necessary. He gave no reasons for it. The figures which he does give do not support his conclusion.

The present borrowing authority is \$4,750,000,000. It is stated near the bottom of page 2 of the report that the recent estimate which the Corporation



has made as to the maximum amount which it will need for price-support operations through the fiscal year 1951 is \$5,300,000,000. In other words he says he needs an increase in authority of about \$600,000,000. If we increase the present authority from \$4,700,000,000 to \$5,700,000,000, we will amply have provided for any future contingency by giving him, even then, \$400,000,000 more than he says he is going to need. We are told that the amount which will be out on loan this spring is likely to be \$4,300,000,000, so that for the 1951 crop there is still a full \$1,000,000,000 leeway to reach the figure of \$5,300,000,000, which he states is his maximum requirement.

By the adoption of this amendment we still give the Secretary a borrowing authority, I repeat, of nearly a half a billion dollars more than he says he needs.

The answers made to that argument "Why do we worry about the authority which he has? Why not give him \$1,500,000,000 of authority above what he needs, rather than a half billion above what he needs?" It is that loose philosophy, Mr. Chairman, and it is that dangerous type of thinking in Government which has, to a major extent, brought us to our present precarious financial condition. My experience with Government agencies causes me to be very suspicious of that line of reasoning. If they have the money to spend, if they can involve the Government further, it is usually found that they do so. I think we simply must keep a tighter rein on those handling the financial transactions of the country. The people in my district, and I feel sure the same applies throughout the country, are objecting strenuously to shelling out billions of dollars here as though they were peanuts.

I realize that this involves a debt transaction, rather than an immediate appropriation. But whatever the fiscal arrangement, it is the pockets and pay envelopes of our people that are affected. Certainly if we give to the Commodity Credit Corporation half a billion dollars above the amount which the Secretary himself says he needs, we have more than amply protected the price-support program. There is utterly no justification in the record for increasing his authority by \$2,000,000,000.

Furthermore, I understand we are shortly to have brought before us a foreign-aid bill in which the proposal is made that \$1,000,000,000, or thereabouts, of surplus farm commodities be transferred into the ECA program. If that is done, that makes even less necessary the tremendous increase in the borrowing authority of the Commodity Credit Corporation.

Mr. Chairman, I think this amendment should be adopted.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is rather curious that two gentlemen from the city or urban areas should get up to speak for and against this particular proposal. But I believe if we are going to continue proper support for this program, that to cut the requested appropriation \$1,000,000,000 at this time would be wrong.

We must adequately prepare for any contingency or emergency that may arise in 1950.

The estimate that is given here, of course, is only on three basic crops and on yield figures which might possibly be exceeded if the 1950 crop year were to exceed the 38½ bushels per acre yield which is estimated.

If the gentleman from New York [Mr. COLE] would have had time to continue reading from the report on pages 2 and 3, the following language would point out the necessity for the full amount asked for in this legislation:

It is necessary to bear in mind that this estimate deals with 1950 crops which have not yet been planted and a variation in any one of the several factors will result in changes in fund needs just as the increase of one-half million bales in the revised 1949 cotton crop estimate substantially increased estimated requirements of the Corporation. Variation in estimated fund requirements can be well illustrated by reference to the effect of changes in yields of cotton, wheat and corn. The estimates for fund needs for the 1950 crop-corn were based on an estimated yield of 38.5 bushels per acre. Should the yield actually equal the 1948 yield of 42.8 bushels, additional funds required by the Corporation to support this crop would amount to about \$400,000,000. The 1950-crop wheat requirements were based on a 5-year average yield of 16.5 bushels per acre. Should the yield equal the 1947 yield of 18.5 bushels per acre, an additional \$300,000,000 would be required in supporting the price of wheat. The 1950 crop cotton estimated requirements were based on a yield of 270 pounds per acre. Should this yield turn out to equal the 1948 yield of 313 pounds per acre, the Corporation would need \$260,000,000 more in its support operations for the cotton crop. Thus, it can be seen that solely on the basis of possible changes in yields for these three commodities alone, the Corporation could require almost \$1,000,000,000 more during the next year than the presently estimated 5.3 billion dollar requirement.

I am certain if we are going to look at this picture realistically we must accede to the request of those who know the program and who have asked for this amount. I believe this authorization should remain at \$2,000,000,000.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CASE of South Dakota. Does the gentleman know whether the action purported to have been taken by the Committee on Foreign Affairs contemplates reimbursement of the Commodity Credit Corporation for a billion dollars' worth of foodstuffs, or would that billion dollars simply be transferred? Or would the Commodity Credit Corporation itself be impaired by that amount?

Mr. BUCHANAN. It would not be; the money would be transferred.

Mr. Chairman, I should like to include the following telegram from Mr. Patton:

Senator EDWARD J. THYE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: I understand that the bill to increase Commodity Credit Corporation's borrowing power has two amendments which are very vicious from our point of view. One amendment would turn over to private trade the handling of all commodities and particu-

larly grain. Senator, this smacks of corporative fascism. If the private grain trade and men like yourself want the Government out of business, then the way to get it out of business is to adopt production payments. In any event, subsidizing the private grain trade by guaranteeing their "take" is no good. The Magnuson amendment will make a pork barrel, log-rolling business out of our foreign agricultural trade, and that is no good. I urge you, sir, to use your influence to have the bill recommitted to the Agricultural Committee and then that the "safe cracker" amendments be taken out.

Respectfully,

JAMES G. PATTON,  
President, National Farmers Union.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 55, noes 102.

So the amendment was rejected.

Mr. JUDD. Mr. Chairman, I offer an amendment.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes.

Mr. CORBETT. Mr. Chairman, reserving the right to object, I just wanted to call the attention of the committee to the fact that we disposed of a billion dollar item in some 7 minutes. But, after all, it is only money.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes; is there objection?

Mr. HESELTON. Mr. Chairman, reserving the right to object, I have an amendment at the desk.

Mr. SPENCE. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 15 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

The CHAIRMAN. Without objection the Chair will divide the 15 minutes' time allotted between the seven Members standing at the time the limitation was voted.

The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Mr. JUDD moves to amend the bill by adding thereto a new section, to be designated section —, reading as follows:

"SEC. —. The last paragraph of section 5 of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.) is hereby amended to read as follows:

"It shall be the duty of the Corporation in the handling and disposition of agricultural commodities which it has acquired (except disposition to other Government agencies) to utilize, whenever it can be done with equal efficiency and at no greater expense, the usual and customary channels of trade and commerce, including the employment of dealers and commission merchants for such services as are ordinarily performed for hire in the course of private commercial handling and disposition of like commodities; *Provided, however, That nothing contained in this paragraph shall change or impair any of the powers of the Corporation as provided elsewhere in this act.*"

Mr. JUDD (interrupting the reading of the amendment). Mr. Chairman, in



order to save what time I have, I ask unanimous consent that the reading of the amendment be dispensed with. I will explain it. It merely adds about 10 words to the previous Cole amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. JUDD. Mr. Chairman, what I seek to do in this amendment is to see if we cannot agree on a formula which is workable and which the CCC must follow without increasing its costs and under which people like in the grain trade, who are being hurt in this program, can be given some practical relief. My amendment adds one clause to the Cole amendment so that it begins:

It shall be the duty of the Corporation \* \* \* to utilize, whenever it can be done with equal efficiency and at no greater cost, the usual and customary channels of trade and commerce.

The purpose is to define the term that is in the existing CCC Act which instructs it to use customary channels "to the maximum extent practicable." My criterion of what is practicable is not grabbed out of thin air. The Foreign Affairs Committee already has put essentially this language into two or three bills or committee reports, including the ECA Act, and Paul Hoffman has followed it faithfully. It merely spells out that whenever it can be done with equal efficiency and at no greater expense, the CCC shall use the usual and customary channels of trade.

What is wrong with that? It would not apply to cotton, obviously. For the very reasons the gentleman from Georgia has just discussed, it would cost more to use private trade in the stage of handling cotton which he described. It probably would not apply to some other commodities, so no harm could be done. It would overcome the objections of the gentleman from Kansas [Mr. HOPE]. He said the Cole amendment would cost a lot more because he assumed that CCC would have to pay 2 cents a bushel for handling wheat. But under this modified Cole amendment, the CCC and the grain trade would figure out what operations could be done with equal or greater efficiency by the ordinary channels of trade—and thus correct the tardiness, confusion and uncertainties now prevailing. Then the CCC would bargain and contract with representatives of the grain trade as to a fair price for their handling those operations. I think it would find them willing to do that at a very low figure indeed—almost certainly cheaper than CCC can handle them. The trade's main concern in this operation, which we all hope will not long be on such an extensive scale, is not to make its usual commission, but rather to preserve its existence so that it can continue to do in the years ahead its regular work in the private handling of grain.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. Does it take in cotton?

Mr. JUDD. Cotton would be automatically excluded, because the trade apparently could not handle cotton with equal efficiency and at no greater expense.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. COOLEY. As I understand the gentleman's amendment, present law permits them to do just exactly what the gentleman's amendment proposes.

Mr. JUDD. They can do it, but this says that they shall do it—shall use the ordinary channels of trade whenever that can be done with equal efficiency and at no greater cost. It changes it from permissive to mandatory under certain definite criteria. If you really want to make this a bill for promoting a sound economy for the country and all of the people who are legitimately rendering useful service in the production, handling, and disposition of agricultural commodities you should vote for this amendment. It would lead to better handling of the problem; it could not cost more; and it would prevent the destruction of certain businesses which are exceedingly useful to our country as well as the livelihood of many good citizens.

I hope it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 51, noes 112.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 4 (1) of the Commodity Credit Corporation Charter Act (62 Stat. 1070) is amended by striking out "\$4,750,000,000" and inserting in lieu thereof "\$6,750,000,000."

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: Page 1, line 9, after "\$6,750,000", insert "amend section 5 of the Commodity Credit Corporation Charter Act (62 Stat. 1070) by adding the following new subsection:

"(1) In order to prevent the waste of food commodities acquired through price-support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Commodity Credit Corporation is authorized and directed to make available such commodities as follows in the order of priority set forth: First, to school-lunch programs, and the Bureau of Indian Affairs, and Federal, State, and local tax-supported institutions, such as hospitals, orphanages, schools, penal and mental institutions, and public-welfare organizations for the assistance of needy Indians and other needy persons; second, to private-welfare organizations for the assistance of needy persons within the United States; third, to private welfare organizations for the assistance of needy persons outside the United States; fourth, to intergovernmental or international non-profit welfare agencies, for assistance to needy persons outside the United States.

The Secretary of Agriculture shall first determine that such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest. The Commodity Credit Corporation shall make any such commodities available at no cost at point of use within the United States or at shipside at port of embarkation. The Corporation may advance as against handling and transportation costs in making delivery up to the equivalent of 6 months' storage costs on any such commodities turned over."

Mr. HESELTON. Mr. Chairman, first let me say to my able friend, the chairman of the Committee on Agriculture, that I have stricken the words to which he objected earlier, "or shall be empowered to deliver them abroad when necessary."

Second, let me call your attention to the fact that this is an amendment of the Commodity Credit Corporation Charter Act.

Third, let me call your attention to the fact that practically all of this language is contained in Public Law 439 of the Eighty-first Congress. If it is loosely drawn, that is because that law recommended by the Committee on Agriculture is loosely drawn.

Fourth, let me say that I have simply spelled out certain institutions, hospitals, orphanages, schools, penal and mental institutions, then have added intergovernmental and international nonprofit welfare agencies.

I have put a guard in there that the Secretary shall first determine that such commodities are in ample supply over and above such reserves as may be required and deemed in the public interest.

The final thing I have done, as you know, is to provide for using 6 months' storage cost for handling and transportation.

I cannot cover the whole thing in the short time allowed and I regret the arbitrary action just taken in cutting off debate. I will simply say that this is exactly what the conferees urged upon us this afternoon so far as the disposition of potatoes is concerned; it is exactly what is in the omnibus appropriation bill, although in limited form. I know that there are many who agree with the objectives of this bill who have been influenced by the eloquence of my friend and undoubtedly will be influenced again by his eloquence, but I urge upon you, this is an opportunity to stop wasting \$60,000 every day; that when it is argued a committee should be given an opportunity to consider it further, we should weigh against that the wanton waste of public funds and the need for these goods to be given the people who can and will eat them. The total loss at 6 o'clock will be a cool \$3,000,000.

I hope that by your votes you are not going to put your stamp of approval on that gigantic waste of your constituents' hard-earned dollars. If you do, it must be with your eyes wide open, in full knowledge of this profligate waste of money and food. Many, many thousands of your constituents are going to learn the full facts sooner or later. I do not believe they will easily forget or lightly forgive a solemn vote cast here today



against putting an immediate end to this assinine, indefensible mess.

But, since I anticipate a majority will be influenced by the pleas of the chairman of the House Committee on Agriculture, I plan to send the following telegram to the President at his Key West vacation spot when we adjourn:

MARCH 23, 1950.

The PRESIDENT,  
Winter White House,  
Key West, Fla.:

Just lost effort to amend Federal Commodity Credit charter to provide for disposition surplus foods, consequently waste of Federal funds will continue at rate of \$60,000 daily until you act. Total accumulated amount to date is \$3,000,000.

JOHN W. HESELTON,  
Member of Congress.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I reiterate my opposition to this amendment, and desire to again call the attention of the House to the fact that the House Committee on Agriculture is now conducting hearings dealing with this very identical subject. We have before the committee 23 different bills. I am wondering whether or not it would be fair to the authors of the other 22 bills to dispose of the matter here on the floor of the House today. The gentleman from New York [Mr. KEATING] is the author of one of the bills, and I would like to yield to him, but I have only 2 minutes.

I would like to point out that the argument just made by the author of the amendment is to this effect: That the way to save money is to cut out the storage and the way to cut out the storage cost is to give away the commodity that is now stored. Certainly, we could save money on storage if we gave away a billion dollars worth of cotton or a billion dollars worth of corn or a billion dollars worth of wheat and billions in other commodities. But it has never been the philosophy of this program to buy in commodities merely to give them away. I call your attention to the fact that this amendment does not say "in surplus supply." It says "in ample supply." If we have any commodity that is in ample supply, we can give it away and pay the storage and freight to shipside to be sent across the seas to welfare agencies and needy persons.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. The amendment says, "food commodities," and it is food commodities alone.

Mr. COOLEY. All right, food commodities. But we have many food commodities that are in a good state of preservation and are processed and could be kept for years and could be disposed of orderly. This amendment is loosely drawn and badly written, and the effect of it, I think, would be disastrous on the program. I think it should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Arkansas to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON]:

After the word "commodities", insert the words "as set forth in section 416 of the Agricultural Act of 1949."

In the last sentence strike out the words "advance as against" and insert the word "pay", and strike out the period, insert a comma, and add the following language: "Provided, No transportation or handling charges shall be incurred by the Commodity Credit Corporation or Department of Agriculture if in so doing it would lower the total amount of agricultural commodities acquired by any institution or organization through the normal channels of trade and commerce."

Mr. HAYS of Arkansas. Mr. Chairman, I regret that I cannot support the amendment offered by the gentleman from Massachusetts [Mr. HESELTON]. In all sincerity, I think he has done a grand job in presenting to this House the conditions we have had with reference to potatoes and other perishable commodities that the Commodity Credit Corporation has acquired.

I wonder if the gentleman from Massachusetts, just in order to present a clear issue and get his amendment in acceptable form from the standpoint of drafting and not to do damage, would not accept this language which has for its purpose just two things: One is to carve out of its application the non-perishable commodities; to limit it, in other words, to those that are subject to deterioration. That is the first purpose. And secondly, not to reduce, by this action, the amount that recipients would acquire otherwise in the normal channels of trade and commerce.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Massachusetts.

Mr. HESELTON. As the gentleman knows, I conferred with him about the amendment. I think it is an excellent addition to my amendment, and I would be very happy to accept it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from North Carolina.

Mr. COOLEY. I will say to the gentleman from Arkansas: Does he not think that since he does not have time to explain his own amendment, and the gentleman's amendment is bad, according to his own statement, that this matter should be left to the Legislative Committee and not taken away from us and written in any such manner as this?

Mr. HAYS of Arkansas. I agree with the gentleman. I am not supporting his amendment, but if his amendment should appeal to the House, I do not want the Commodity Credit Corporation to be turning loose commodities and thus reduce the amount of commodities to be purchased in the normal channels of trade and commerce.

Mr. COOLEY. The gentleman knows that he has to have unanimous consent to put through this procedure, and if he does not get unanimous consent, I want

to ask the gentleman if he does not think that this House ought to let it be settled in the committee.

Mr. HAYS of Arkansas. I think it ought to be studied by the Agriculture Committee, but if the Heselton amendment is accepted, I would like my amendment to be a part of it. If not accepted by unanimous consent, then it will have to be voted on.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. I understood he was trying to do this by unanimous consent.

The CHAIRMAN. The Chair did not understand that request.

Mr. COOLEY. I understood the gentleman from Arkansas to ask the gentleman from Massachusetts if he would not accept it as an amendment.

The CHAIRMAN. That is not a unanimous-consent request.

The question is on the amendment offered by the gentleman from Arkansas [Mr. HAYS] to the amendment offered by the gentleman from Massachusetts [Mr. HESELTON].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. HESELTON) there were—ayes 81, noes 116.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. MOULDER].

Mr. MOULDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOULDER: Add a new section reading as follows:

"SEC. 3. In all transactions connected with the purchase and sale of agricultural commodities from owners and operators of elevators, the Commodity Credit Corporation shall exercise due diligence, and take such action as may be necessary to render efficient and satisfactory service, so as to avoid delays in making receipts of weights and grade certificates, and to achieve final settlements and consummation of such transactions."

Mr. MOULDER. Mr. Chairman, in support of my amendment, I desire to read a portion of a letter from the Boonville Mill & Grain Co., of Boonville, Mo. I have received several such letters:

February 26, 1949, CCC wired us to ship at once 27,554 bushels of loan wheat. March 5 the shipment was completed and we invoiced them on March 7 for our charges. We waited patiently for several months to hear from CCC regarding payment, or for weights and grades covering the shipments. Next we started writing to try to find out about it and made a trip to Kansas City. Most of our letters were never answered and when they were it was in an evasive manner. August 9 we were fortunate enough to receive a check for a three-fourths settlement of our charges and, on December 22, we were paid in full.



We had shipped 654 pounds more wheat than the order called for, so thought that now our 1948 loan wheat was completed, even though we did not have weights and grades from CCC covering it. We are licensed under the United States Federal Warehouse Act and our weights are considered as good as official. On March 7, 1950, exactly 1 year from our invoice date, we received a statement advising we owed CCC \$118.21 because of a difference in weights. They still did not send the weights and grade certificates with the statement.

We handled an emergency shipment of corn, due to a flood in the Missouri River bottoms, also, in February and March of 1949. To date we have not been paid for it and the answer to our many letters is in effect that due to the complications of red tape between Government agencies all necessary papers are not in their files.

As a country shipper, we find it is about impossible to service our farmers on the small charge we are permitted to make, especially when we do not know for over a year how we come out with Commodity Credit. If it is continued, possibly we will have to levy additional charges on them and ask them to wait for returns the same as we do.

The letter is signed by R. E. Casanova.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MOULDER. I yield.

Mr. BROWN of Georgia. What is the date of that letter?

Mr. MOULDER. March 10, 1950.

Mr. BROWN of Georgia. That is the same day the committee put in its report practically what the gentleman has in his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, pursuant to House Resolution 513, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GAMBLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GAMBLE. Definitely and very much so, Mr. Speaker.

The SPEAKER. The gentleman definitely qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GAMBLE moves to recommit the bill to the Committee on Banking and Currency with instructions to report the bill back to the House forthwith with the following amendments: Page 1, line 5, strike out "\$6,750,000,000" and insert "\$5,750,000,000";

and on line 9 strike out "\$6,750,000,000" and insert "\$5,750,000,000."

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. POULSON) there were—ayes 77, noes 179.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SMITH of Wisconsin. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

#### SPECIAL ORDER GRANTED

Mr. KENNEDY asked and was given permission to address the House for 15 minutes today following the disposition of business on the Speaker's desk and the conclusion of special orders heretofore granted.

#### EXTENSION OF REMARKS

Mr. DAVENPORT asked and was given permission to extend his remarks in the RECORD at that point immediately preceding the vote taken on the appropriation for the Committee on Un-American Activities.

Mr. BUCHANAN asked and was given permission to extend his remarks in the RECORD and include therein an agenda of hearings for the next week and also to revise and extend the remarks he made earlier today in the Committee of the Whole.

#### DISPENSING WITH BUSINESS IN ORDER ON MONDAY UNDER RULE XI (2) (C)

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Monday next, under rule XI (2) (c), the so-called 21-day rule, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### PROVIDING FOR ADJOURNMENT OVER FROM FRIDAY TO MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### EXTENSION OF REMARKS

Mr. PRICE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in the RECORD immediately preceding the vote on the resolution with reference to the Committee on Un-American Activities.

#### COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. DAWSON. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive De-

partments may have until midnight Saturday to file a report on House Resolution 516.

Mr. HOFFMAN of Michigan. I thought the gentleman was also going to include permission for the minority to file minority views.

Mr. DAWSON. Yes, Mr. Speaker, and also that the minority may have the right to file their views.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### EXTENSION OF REMARKS

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include a speech by the distinguished Governor of the State of Illinois, delivered Tuesday, March 14, on the occasion of Illinois Housing Day.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include a letter from the Governor of North Carolina.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include a speech.

Mr. ZABLOCKI asked and was given permission to extend his remarks in the RECORD and to include two editorials.

Mr. O'HARA of Illinois asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and to include extraneous matter.

Mr. PATTERSON asked and was given permission to extend his own remarks in the RECORD and include a newspaper article and a letter.

Mr. McDONOUGH asked and was given permission to extend his own remarks in the RECORD.

Mr. SCUDDER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article and a letter.

Mr. ANGELL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include an article on the Pacific Northwest.

Mr. WEICHEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD in two instances and in each to include extraneous matter.

Mrs. HARDEN (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD and include a newspaper article.

Mr. COOLEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. COOLEY asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today.

#### CORRECTION OF VOTE

Mr. ZABLOCKI. Mr. Speaker, on roll call 110, I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the RECORD and Journal be corrected accordingly.



The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BISHOP. Mr. Speaker, on roll call 110, I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### REREFERENCE OF BILL

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the bill (H. R. 7767) to provide for the payment of extra compensation for certain work heretofore performed by customs officers and employees, and for other purposes, and that the bill be re-referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

#### CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Georgia [Mr. DAVIS] is recognized for 15 minutes.

#### THE UNITED STATES SECRET SERVICE

Mr. DAVIS of Georgia. Mr. Speaker, we have been reading and hearing a great deal of late about counterfeit money. Counterfeit money is of interest to all of us, because if we happen to be victimized with it we feel it in our pocketbooks, and any crime which makes the average citizen lose his money to crooks deserves our careful attention. I understand that during the calendar year 1949 storekeepers and other citizens lost \$651,445 by accepting counterfeit bills, as against only \$190,133 in 1948. Almost as important is the fact that in 1949 our Government captured \$703,423 before counterfeiters were able to circulate it. Altogether, in 1949, the Government seized \$1,354,868 in counterfeit bills, which is more counterfeit than has been captured at any time since the peak year of 1935, when nearly \$1,500,000 was confiscated.

I would like to point out that the \$700,000 captured before circulation in 1949 was actually a potential loss to our people. That is, this counterfeit money was ready to be passed—and it was only because of some intensive and effective law-enforcement work that a lot of people were not victimized and that scores of counterfeiters and counterfeit passers are now in custody.

This enforcement job of suppressing counterfeiting is one of the primary jobs of one of the oldest investigative agencies in our Federal Government—the United States Secret Service. Now there are quite a few investigative agencies of the Government, and some of them are better known than others. The United States Secret Service just goes along and does its difficult job quietly and without much fanfare, and I believe it is time they were given some recognition for the efficient manner in which they carry out their prescribed duties.

A great many people probably are not aware of the nature of these duties. The name, Secret Service, conjures up images of spies and international intrigue and involved plots which belong in melodramatic novels or in motion pictures. Actually, the United States Secret Service has three major functions. The first and most important is the protection of the President of the United States, the members of his family, and the President-elect. The second is the suppression of currency counterfeiting, and the third is suppression of the forgery and fraudulent negotiation of Government checks, bonds, and other obligations. The Secret Service performs other duties relating to the Gold Reserve Act, the Federal Deposit Insurance Act, and other statutes, and makes investigations relating to the Treasury Department, as directed by the Secretary of the Treasury.

I doubt that the Secret Service is generally associated with the Treasury Department. In fact, I doubt that many people know the Treasury Department includes such other enforcement agencies as the Narcotic Bureau, the Bureau of Customs, the Alcohol Tax Unit, the Intelligence Unit of the Internal Revenue Bureau, and even the United States Coast Guard. At any rate, this year marks the eighty-fifth anniversary of the founding of the United States Secret Service. Its first Chief, William P. Wood, was appointed July 5, 1865, and the Service was established to fight counterfeiters who were flooding the country with bogus money.

Counterfeiting plants were seized by the score. Counterfeiters were caught and jailed, and respect for the new crime-fighting organization grew, not only in the underworld but also among various departments of the Government. Soon these other departments began to borrow Secret Service agents to investigate other crimes. Since there was then no other general Federal law-enforcement agency, it became common practice for the Treasury Department to lend Secret Service agents upon request.

For example, in 1898, during the Spanish-American War, a ring of Spanish spies with headquarters in Canada directed espionage activities against the United States. Secret Service agents borrowed by the Department of Justice set up a counter-espionage system and unearthed the enemy's hide-out near Montreal. The head of the spy ring was swiftly banished from Canadian soil.

One of the most important assignments ever given the Secret Service was

the investigation of extensive land frauds perpetrated upon the Government. By 1905, at the request of the Attorney General of the United States, several Secret Service agents were lent to the Department of Justice to conduct this investigation. The Homestead Act of 1862 had thrown western lands open to settlement. Through dummy entrymen, several cattle barons obtained rich grazing land intended for homesteaders. Others contrived to get lands rich in coal, oil, and timber, on the false claim that the lands were to be used for agriculture. In the course of the investigation one Secret Service man was shot in the back with 17 shotgun slugs while he investigated the suspected theft of coal from Government-owned land. His killers were arrested and tried, but were acquitted. The agents exposed countless frauds and recovered millions of acres of land for the Government, and in the course of their work they obtained indictments against many important and influential persons.

In 1907 Congress restricted the work of the Secret Service to its Treasury Department duties and prohibited the lending of agents to other Government departments. However, several Secret Service agents were permanently transferred to the Department of Justice and to other Government departments to form the nuclei around which separate investigative units were established.

With the approach of World War I, President Woodrow Wilson lifted previous restrictions and directed that the Secret Service be employed to uncover violations of neutrality. Investigation led to George Sylvester Viereck and Dr. Heinrich F. Albert, who were knee-deep in German propaganda. Dr. Albert carried a mysterious brief case which he guarded most carefully. On July 24, 1915, a Secret Service agent followed Dr. Albert as he rode on an elevated train in New York City, and succeeded in obtaining the mysterious brief case.

The case held papers showing elaborate German plots to influence American public opinion by buying newspapers and magazines. There were plans to organize strikes in munitions plants; to corner the supply of liquid chlorine used for poison gas; to acquire the Wright Aeroplane Co. and its patents for German use; to cut off the supply of cotton from England. One sheaf of papers revealed that Germany, through its secret agents, had actually bought a large munitions factory at Bridgeport, Conn., using dummy buyers. The plant accepted orders for ammunition from Great Britain and Russia without any intention of making deliveries. In the words of George Sylvester Viereck, "The loss of the Albert brief case was like the loss of the Marne."

In 1924, at the suggestion of President Coolidge, the Secret Service was assigned to investigate the Teapot Dome oil scandals, and its agents worked for some 3 years before their association with that investigation became known.

Even today the work of the Secret Service is not known as widely as it should be, yet the amount of work its









# H. R. 6567

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IN THE SENATE OF THE UNITED STATES

MARCH 24 (legislative day, MARCH 8), 1950

Read twice and referred to the Committee on Agriculture and Forestry

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## AN ACT

To increase the borrowing power of Commodity Credit Corporation.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*  
3     That section 4 of the Act approved March 8, 1938 (52  
4     Stat. 108), as amended, is amended by striking out “\$4,750,-  
5     000,000” and inserting in lieu thereof “\$6,750,000,000”.

6     SEC. 2. Section 4 (i) of the Commodity Credit Corpora-  
7     tion Charter Act (62 Stat. 1070) is amended by striking  
8     out “\$4,750,000,000” and inserting in lieu thereof  
9     “\$6,750,000,000”.

Passed the House of Representatives March 23, 1950.

Attest:

RALPH R. ROBERTS,

*Clerk.*

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## AN ACT

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To increase the borrowing power of Commodity  
Credit Corporation.

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MARCH 24 (legislative day, MARCH 8), 1950

Read twice and referred to the Committee on  
Agriculture and Forestry









BORROWING POWER OF THE COMMODITY CREDIT  
CORPORATION

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MARCH 30 (legislative day, MARCH 29), 1950.—Ordered to be printed

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Mr. ELLENDER, from the Committee on Agriculture and Forestry,  
submitted the following

## REPORT.

[To accompany H. R. 6567]

The Committee on Agriculture and Forestry, to whom was referred the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, having considered the same, report thereon with the recommendation that it do pass with an amendment.

## STATEMENT

On March 8, 1950, your committee reported a companion bill, S. 2826, to the Senate. As stated in the report on S. 2826 (S. Rept. 1326), this legislation would increase the borrowing power of the Commodity Credit Corporation from \$4,750,000,000 to \$6,750,000,000. An increase in borrowing authority has become necessary because of the greatly expanded operations of the farm price-support program. The total obligations and commitments of the Corporation are limited to the amount of its borrowing power plus its capital of \$100,000,000, and ample funds must be provided the Corporation in order for it to carry out various price-support programs, some of which are mandatory by direction of the Congress.

The latest report on the status of the obligations and commitments of the Corporation are contained in the following letter from Secretary of Agriculture Charles F. Brannan. The letter is as follows:

DEPARTMENT OF AGRICULTURE,  
Washington, March 29, 1950.

Hon. ELMER THOMAS,

Chairman, Committee on Agriculture and Forestry,  
United States Senate.

DEAR SENATOR THOMAS: This refers to your request for current information concerning the status of the borrowing authority of the Commodity Credit Corporation and concerning any changes that may have occurred with respect to projected requirements.

## 2 BORROWING POWER OF COMMODITY CREDIT CORPORATION

There is attached a schedule (schedule 1) showing in detail the position of the Corporation as of February 28, 1950, with respect to the statutory borrowing authority, and with respect to obligations existing as of that date which may involve the use of borrowing authority. As you know, the Corporation is authorized by existing statutes to have borrowings outstanding and obligations to purchase loans held by lending agencies at any one time totaling \$4,750,000,000. The attached schedule indicates that as of February 28, 1950, the CCC had in use \$3,813,256,951.15 of its statutory borrowing authority, i. e., actual borrowings totaled \$2,717,228,514.43 and obligations to purchase commodity and storage loans held by lending agencies amounted to \$1,096,028,436.72. This left a net statutory borrowing authority available of \$936,743,048.85. In addition, as also indicated in detail on schedule 1, the Corporation had other current operating obligations on February 28, 1950, amounting to \$567,969,567.91, some part of which may be liquidated by the use of borrowing authority. These current operating obligations include outstanding purchase agreements, loans approved but not fully processed, accrued liabilities, commitments on storage facility loans, and accounts payable.

While we can state the amount of actual borrowings from the United States Treasury as of any date, it is not practical to obtain data with respect to the amount of borrowings from banks, the obligation of the Corporation to purchase loans held by lending agencies and the amount of purchase agreements, loans in process and other current operating obligations except when the financial statements of the Corporation are prepared as of each month end from reports regularly required as of such dates. However, a current approximation of the change in the position with respect to statutory borrowing authority may be obtained by adding to the obligations to purchase loans held by lending agencies and the amount of borrowings from banks as of February 28, 1950, the amount of actual borrowings from the United States Treasury as of a current date. As of March 28, 1950, the outstanding borrowings from the Treasury amounted to \$2,705,000,000. This amount, added to the \$1,096,028,436.72 of obligations to purchase loans held by lending agencies as of February 28, 1950, and the \$6,228,514.43 of borrowings from banks as of that date, makes an adjusted total of \$3,807,256,951.15, leaving available \$942,743,048.85 of the statutory borrowing power of \$4,750,000,000.

Corn and cotton are the two major commodities on which 1949 crop price-support loans are still available to producers. Cotton loans made have been exceeded by redemptions in recent weeks (there were net redemptions of approximately \$34,000,000 during the 3 weeks ended March 23, 1950). Corn loans are being made in substantial volume, the amount of such loans made totaling \$133,701,083 in January 1950 and \$75,982,161 in February.

As of February 28, 1950, a total of \$4,036,175,000 was invested in CCC price-support-program loans and inventories, of which \$2,229,810,000 represented the investment in loans and \$1,806,365,000 represented the cost value of inventories. Full detail by commodities with respect to these totals is shown in schedule 2, attached.

As indicated in my letter of March 1, 1950, sufficient borrowing authority is available to meet all requirements of the Corporation on 1949-crop price-support operations. We make a continuous review of the projections of the Corporation's financial requirements, and while events have transpired since our estimates were submitted to your committee that may affect the amount of funds actually required, it is our current estimate that the Corporation may require as much as 6.3 billion dollars to carry inventories acquired from 1949 and prior crops and at the same time carry out price support on 1950 crops.

I would like to reemphasize that the Corporation needs a reserve in borrowing authority at all times over and above the amount actually in use. Considering these facts, it is our opinion that the \$2,000,000,000 additional borrowing power which would be provided by S. 2826 is the minimum amount required to assure the ability of the Corporation to carry out its responsibilities for farm price-support operations with respect to 1950 crops.

Sincerely yours,

CHARLES F. BRANNAN, *Secretary.*



SCHEDULE 1.—*Status of statutory borrowing authority as of Feb. 28, 1950, and obligations as of that date which may require the use of borrowing authority*

Statutory borrowing authority-----	\$4, 750, 000, 000. 00
Borrowings:	
From U. S. Treasury-----	\$2, 711, 000, 000. 00
From banks-----	6, 228, 514. 43
Total-----	2, 717, 228, 514. 43
Obligations to purchase commodity loans held by lending agencies-----	1, 092, 172, 518. 57
Obligations for guaranty of storage-facility loans held by lending agencies-----	3, 855, 918. 15
Total statutory obligations-----	3, 813, 256, 951. 15
Net statutory borrowing authority available-----	936, 743, 048. 85

OTHER OBLIGATIONS WHICH MAY REQUIRE THE USE OF BORROWING AUTHORITY

Contingent liabilities under outstanding purchase agreements-----	\$194, 915, 000. 00
Approved commitments to make or guarantee loans on storage facilities-----	2, 294, 221. 00
Loans approved, not fully processed-----	165, 828, 225. 53
Accounts payable-----	63, 999, 741. 62
Accrued liabilities-----	140, 932, 379. 76
Total other obligations-----	567, 969, 567. 91

SCHEDULE 2.—*Quantity and value of commodities pledged for outstanding loans and commodities in price-support inventory as of Feb. 28, 1950*

[All figures in thousands]

Commodity	Unit	Pledged for loans <sup>1</sup>		In inventory	
		Quantity	Value	Quantity	Value
Corn-----	Bushels-----	563, 746	\$768, 551	167, 583	\$255, 734
Wheat-----	do-----	324, 825	645, 036	144, 853	358, 042
Cotton, upland-----	Bales-----	2, 638	373, 537	3, 646	613, 353
Tobacco-----	Pounds-----	365, 251	145, 833		
Linseed oil-----	do-----			421, 577	119, 549
Flaxseed-----	Bushels-----	9, 080	33, 640	12, 801	81, 278
Eggs, dried-----	Pounds-----			79, 318	101, 362
Grain sorghum-----	Hundredweight-----	42, 161	94, 979	2, 073	5, 854
Beans, dry edible-----	do-----	7, 145	49, 254	4, 866	43, 025
Barley-----	Bushels-----	27, 315	29, 793	25, 079	36, 064
Butter-----	Pounds-----			92, 797	57, 670
Milk, dried-----	do-----			294, 252	37, 532
Oats-----	Bushels-----	29, 989	19, 985	11, 256	9, 772
Rosin-----	Pounds-----	178, 989	12, 191	210, 838	17, 145
Soybeans-----	Bushels-----	10, 513	22, 172	2, 006	5, 056
Wool-----	Pounds-----			35, 427	27, 688
Peanuts-----	do-----	148, 232	14, 626	74, 737	8, 695
Cottonseed-----	Tons-----	7	358	199	10, 328
Cheese-----	Pounds-----			24, 806	8, 397
Potatoes, Irish-----	Hundredweight-----	11, 175	7, 829	133	230
Rice-----	do-----	1, 536	6, 586	3	15
Prunes-----	Pounds-----			35, 326	3, 593
Peas, dry edible-----	Hundredweight-----	750	2, 309	2	12
Turpentine-----	Gallons-----	2, 982	1, 225	1, 812	984
Rye-----	Bushels-----	823	989	631	1, 165
Turkeys-----	Pounds-----			3, 380	1, 367
Cotton, American Egyptian-----	Bales-----	3	773	1	168
Raisins-----	Pounds-----			9, 877	937
Potato starch-----	do-----			10, 073	608
Seeds, hay and pasture-----	do-----	1, 201	144	725	147
Seeds, winter cover crop-----	do-----			3, 770	173
Cottonseed meal-----	do-----			5, 083	168
Cottonseed oil-----	do-----			949	116
Flax fiber-----	do-----			178	84
Cotton linters-----	do-----			925	54
Total-----			2, 229, 810		1, 806, 365

<sup>1</sup> Includes loans approved but not fully processed.

## COMMITTEE AMENDMENT

The committee amendment to the bill is a complete substitute for section 22 of the Agricultural Adjustment Act of 1933, relative to import fees and quotas on agricultural commodities. Under the authority of section 22, the President may impose fees or quotas on agricultural imports if it is found that such imports are rendering ineffective or materially interfering with any price-support program or any other program undertaken by the Department of Agriculture with respect to any agricultural commodity or product thereof. Section 22 presently provides that the United States Tariff Commission will investigate the facts of such interference and report to the President; the committee amendment would transfer this function to the Department of Agriculture.

Section 22 also provides that no proclamation made under it shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party. The committee amendment to section 22 would provide that no international agreement could be entered into by the United States, or renewed, extended, or allowed to extend beyond its termination date in contravention of section 22. Your committee believes that such protection must be given the farm price support program in this country if it is to accomplish its purpose. Therefore, the amendment is recommended for enactment.

## HANDLING OF GOVERNMENT-OWNED AGRICULTURAL COMMODITIES

As reported by the committee on March 8, 1950, S. 2826 was amended to provide that the Commodity Credit Corporation be required to employ the services of dealers, commission merchants, and other usual and customary channels, facilities, and arrangements of trade and commerce in the acquisition, warehousing, transporting, processing, or handling of agricultural commodities. Following recommendation of the bill to the committee, a subcommittee was appointed to conduct hearings on the proposed amendment and make a report to the committee. The subcommittee recommended that the amendment be deleted from this legislation and your committee concurs with that recommendation. However, your committee has directed that a subcommittee be maintained for continuing observation of the handling of Government-owned agricultural commodities.

The subcommittee report, approved by the full committee, is attached hereto and made a part of this report.

## REPORT OF THE SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY ON S. 2826

Your subcommittee hereby reports favorably on S. 2826, a bill to increase the borrowing power of the Commodity Credit Corporation, with amendments.

The bill, S. 2826, when referred to this subcommittee, contained (1) two sections which would increase the borrowing power of the Commodity Credit Corporation by \$2,000,000,000, (2) a section directing the Corporation to employ the facilities of private industry in the handling of agricultural commodities, and (3) a section revising section 22 of the Agricultural Adjustment Act of 1933 relative to import quotas and fees on agricultural commodities. Your subcommittee recommends that the section directing full utilization of private trade facilities by the Corporation be deleted from the bill.



## UTILIZATION OF PRIVATE TRADE FACILITIES

The extent to which the Commodity Credit Corporation should utilize the usual and customary channels of trade and commerce in its handling of agricultural commodities was investigated thoroughly in the hearings conducted by your subcommittee. The proposed amendment to the bill would direct the Corporation to employ dealers, commission merchants, and the other usual and customary channels, facilities, and arrangements of trade and commerce in the acquisition, warehousing, transporting, processing, handling and disposition of any agricultural commodity. Department of Agriculture officials testified that such a directive would seriously impair the operation of the farm price support program by subjecting the Corporation to unreasonable fees and unnecessary expenses, and by loss of operating control in the handling of all Government-owned agricultural commodities.

Representatives of the private grain trade recommended approval of the amendment as a solution to problems confronting the industry in its relations with the Federal Government. In general the private trade witnesses urged more, if not complete, utilization of regular facilities and especially emphasized the hardships imposed on them by the present bypassing of certain segments of the private trade. Three specific complaints were:

1. That the Commodity Credit Corporation has failed to make prompt financial settlements for services rendered by country elevators in the handling and shipment of grain owned by the Commodity Credit Corporation from the local area where it is produced to the grain terminals. Delays of payments for many months were frequent during the 1949 operation.

2. That the Corporation has failed to advise within a reasonable time country elevators of down grading and shortages in weight of shipments of Government-owned grain as reported by inspectors at the terminal markets. As a result of this delay the country elevators were often deprived of their right to call for a recheck or appeal and their liability for the value of the shortage was continued.

3. That the Corporation has failed to utilize the services of commission merchants, which, the trade representatives asserted, would correct to a great extent the problems cited above.

The bone of contention of the commission merchants is that they should be employed by the Commodity Credit Corporation in the handling of any movement of grain from the country elevators to the grain terminals, irrespective of whether or not the grain is actually sold. On the other hand, the Corporation contends that this service should be performed at the expense of the country elevators, for the reason that the Corporation already pays a fee to the country elevators for all necessary services; that, therefore, the employment of commission merchants would simply benefit the country elevators and would incur an added expense to the operations of the Commodity Credit Corporation. The country elevator operators contend that they are unable to employ and pay commission merchants out of the fees paid them by the Corporation.

Evidence presented to the subcommittee indicates that the complaints regarding the long delay in financial settlements and advisement on the status of shipments are justified. At the same time, your subcommittee recognizes that surplus production in 1949 and the necessary use of new personnel to handle the tremendously increased volume of the farm price support program have contributed to the failure of the Corporation to operate the program as efficiently as might be expected. Yet these problems must be overcome if the price support program is to be handled effectively and economically.

Your subcommittee, in recommending deletion of the section requiring complete utilization of private-trade facilities, does not intend by that action that no change be effected in the handling of grains acquired under the price-support program. Instead your subcommittee is convinced that more efficient operation is necessary. The problem should be solved through administrative action on the part of the Corporation and through negotiation with the private agencies concerned, rather than by detailed legislative direction in the law. The intent of the Congress that the Corporation should utilize private-trade facilities wherever possible could hardly be stated more plainly than as now written in the present charter of the Corporation. Yet the decisions as to the details of such utilization should be made by the Corporation in the course of its administration of the program.

The country-elevator operator, acting as an agent for the Corporation, has undoubtedly experienced financial hardships in the past through delays in payment of

accounts and lack of information on shipments. Grain-trade representatives recommended the use of commission merchants by the Corporation to meet this problem. Certainly the Corporation is obligated to deal fairly with its agents and a method must be found whereby the interests of the private operator are protected. While compulsory utilization of trade facilities as directed by the amendment in question offers a possible solution to this problem, your subcommittee believes that satisfactory arrangements can be formulated through negotiation between the Corporation and the private trade. It is this latter procedure that your subcommittee recommends at present rather than the adoption of a mandatory program as contemplated by the proposed amendment.

The greatly increased volume of farm price-support operations has already been noted. Present crop production in the United States and general economic conditions indicate that such a trend will continue. In addition, prospective reduction in agricultural exports comprise a serious threat to the welfare of our farmers. These problems must be solved quickly and effectively if the price-support program is to serve its purpose. Your subcommittee believes it will require the combined efforts of public administrators and private traders to meet the challenge and that close cooperation between the two groups is of vital importance. If such cooperation does not result, your subcommittee believes legislative reconsideration of the detailed handling of agricultural commodities acquired under price-support operations will be in order.

#### REVISION OF SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT OF 1933

Your subcommittee considered the amendment which would revise section 22 of the Agricultural Adjustment Act of 1933, relating to import quotas and fees on agricultural commodities. After a full discussion of the amendment and its possible effects on the reciprocal trade agreements program, the subcommittee directed its chairman (Senator Ellender) to consult with the chairman of the Senate Finance Committee (Senator George) and the chairman of the Senate Foreign Relations Committee (Senator Connally), with a view to obtaining advice and assistance from experts of the respective committees in drafting an amendment to the language contained in the pending bill, which would project the Government's price-support activities without doing violence to the reciprocal trade agreements program.

The chairman of the Senate Foreign Relations Committee designated a member of his committee's staff to attend the consultation, and the chairman of the Senate Finance Committee suggested that representatives of the State Department be permitted to attend the meeting.

In accordance with this understanding, representatives of the State Department met on March 27 with staff members of the Senate Foreign Relations Committee and Senate Agriculture Committee and an attorney from the office of the Senate legislative counsel. The following amendment to the language of the pending bill has been suggested as a result of this meeting, which your subcommittee submits to the full committee without recommendation:

On page 5, strike out lines 19 through 22 and insert in lieu thereof the following:

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.

ALLEN J. ELLENDER, *Chairman.*  
SPESSARD L. HOLLAND  
GEORGE D. AIKEN.  
EDWARD J. THYE.



## CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## ACT OF MARCH 8, 1938, AS AMENDED

SEC. 4. With the approval of the Secretary of the Treasury, the Commodity Credit Corporation is authorized to issue and have outstanding at any one time, bonds, notes, debentures, and other similar obligations in an aggregate amount not exceeding **[\$4,750,000,000]** *\$6,750,000,000*. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury. Such obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such obligations shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, such obligations, the Secretary of the Treasury shall pay to the holder the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Commodity Credit Corporation issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of the Commodity Credit Corporation's obligations hereunder. The Secretary of the Treasury may at any time sell any of the obligations of the Commodity Credit Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Commodity Credit Corporation shall be treated as public-debt transactions of the United States. No such obligations shall be issued in excess of the assets of the Commodity Credit Corporation, including the assets to be obtained from the proceeds of such obligations, but a failure to comply with this provision shall not invalidate the obligations or the guaranty of the same: *Provided*, That this sentence shall not limit the authority of the Corporation to issue obligations for the purpose of carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act (31 U. S. C., 1946 edition, sec. 841). The Commodity Credit Corporation shall have power to purchase such obligations in the open market at any time and at any price.

## COMMODITY CREDIT CORPORATION CHARTER ACT

## SEC. 4. GENERAL POWERS.—The Corporation \* \* \*

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate **[\$4,750,000,000]** *\$6,750,000,000*. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

## AGRICULTURAL ADJUSTMENT ACT OF MAY 12, 1933, AS AMENDED

*20/ certify to the President and the President shall*

**[SEC. 22. (a)** Whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, *Secretary of Agriculture* he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

**[(b)** If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

**[(c)** The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

**[(d)** After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

**[(c)** Any decision of the President as to facts under this section shall be final.

**[(f)** No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.]

*SEC. 22. (a)* Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product thereof, or to reduce substantially the amount of any product processed



in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause, on his own motion or on the motion of interested producers or processors, an immediate investigation to be made by the appropriate office or agency of the United States Department of Agriculture responsible for the administration of the affected program, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Secretary of Agriculture shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts and the President may by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: Provided, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture: And provided further, That in designating any article or articles, the Secretary of Agriculture may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

(e) Any decision, finding, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final.

(f) No international agreement hereafter shall be entered into by the United States, or renewed, extended or allowed to extend beyond its permissible termination date in contravention of this section.

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# H. R. 6567

[Report No. 1375]

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## IN THE SENATE OF THE UNITED STATES

MARCH 24 (legislative day, MARCH 8), 1950

Read twice and referred to the Committee on Agriculture and Forestry

MARCH 30 (legislative day, MARCH 29), 1950

Reported by Mr. ELLENDER, with an amendment

[Insert the part printed in *italic*]

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## AN ACT

To increase the borrowing power of Commodity Credit Corporation.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 4 of the Act approved March 8, 1938 (52  
4       Stat. 108) , as amended, is amended by striking out “\$4,750,-  
5       000,000” and inserting in lieu thereof “\$6,750,000,000”.

6       SEC. 2. Section 4 (i) of the Commodity Credit Corpora-  
7       tion Charter Act (62 Stat. 1070) is amended by striking  
8       out “\$4,750,000,000” and inserting in lieu thereof  
9       “\$6,750,000,000”.

10       SEC. 3. Section 22 of the Agricultural Adjustment Act,  
11       as amended (U. S. C., title 7, sec. 624), is hereby amended  
12       to read as follows:

1       “SEC. 22. (a) Whenever the Secretary of Agriculture  
2 has reason to believe that any article or articles are being  
3 or are practically certain to be imported into the United  
4 States under such conditions and in such quantities as to  
5 render or tend to render ineffective, or materially interfere  
6 with, any program or operation undertaken under this title  
7 or the Soil Conservation and Domestic Allotment Act, as  
8 amended, or section 32, Public Law Numbered 320,  
9 Seventy-fourth Congress, approved August 24, 1935, as  
10 amended, or any loan, purchase, or other program or opera-  
11 tion undertaken by the Department of Agriculture, or any  
12 agency operating under its direction, with respect to any  
13 agricultural commodity or product thereof, or to reduce  
14 substantially the amount of any product thereof, or to reduce  
15 substantially the amount of any product processed in the  
16 United States from any agricultural commodity or product  
17 thereof with respect to which any such program or opera-  
18 tion is being undertaken, he shall cause, on his own motion  
19 or on the motion of interested producers or processors, an  
20 immediate investigation to be made by the appropriate office  
21 or agency of the United States Department of Agriculture  
22 responsible for the administration of the affected program,  
23 which shall give precedence to investigations under this sec-  
24 tion to determine such facts. Such investigation shall be  
25 made after due notice and opportunity for hearing to inter-



1 *ested parties, and shall be conducted subject to such regula-*  
2 *tions as the Secretary of Agriculture shall specify.*

3       “(b) *If, on the basis of such investigation and report to*  
4 *him of findings and recommendations made in connection*  
5 *therewith, the Secretary of Agriculture finds the existence*  
6 *of such facts, he shall certify to the President such facts and*  
7 *the President may by proclamation impose such fees not*  
8 *in excess of 50 per centum ad valorem or such quantitative*  
9 *limitations on any article or articles which may be entered,*  
10 *or withdrawn from warehouse, for consumption as he finds*  
11 *and declares shown by such investigation to be necessary*  
12 *in order that the entry of such article or articles will not*  
13 *render or tend to render ineffective, or materially interfere*  
14 *with, any program or operation referred to in subsection (a),*  
15 *of this section, or reduce substantially the amount of any*  
16 *product processed in the United States from any such agri-*  
17 *cultural commodity or product thereof with respect to which*  
18 *any such program or operation is being undertaken: Pro-*  
19 *vided, That no proclamation under this section shall impose*  
20 *any limitation on the total quantity of any article or articles*  
21 *which may be entered, or withdrawn from warehouse, for*  
22 *consumption which reduces such permissible total quantity*  
23 *to proportionately less than 50 per centum of the total*  
24 *quantity of such article or articles which was entered, or*  
25 *withdrawn from warehouse, for consumption during a repre-*

1    *sentative period as determined by the Secretary of Agri-*  
2    *culture: And provided further, That in designating any*  
3    *article or articles, the Secretary of Agriculture may describe*  
4    *them by physical qualities, value, use, or upon such other*  
5    *bases as he shall determine.*

6        *“(c) The fees and limitations imposed by the President*  
7    *by proclamation under this section and any revocation, sus-*  
8    *pension, or modification thereof, shall become effective on*  
9    *such date as shall be therein specified, and such fees shall be*  
10    *treated for administrative purposes and for the purposes of*  
11    *section 32 of Public Law Numbered 320, Seventy-fourth*  
12    *Congress, approved August 24, 1935, as amended, as duties*  
13    *imposed by the Tariff Act of 1930, but such fees shall not*  
14    *be considered as duties for the purpose of granting any*  
15    *preferential concession under any international obligation*  
16    *of the United States.*

17        *“(d) After investigation, report, finding, and declara-*  
18    *tion in the manner provided in the case of a proclamation*  
19    *issued pursuant to subsection (b) of this section, any proc-*  
20    *lamation or provision of such proclamation may be suspended*  
21    *or terminated by the President whenever the Secretary of*  
22    *Agriculture finds and certifies to the President that the*  
23    *circumstances requiring the proclamation or provision thereof*  
24    *no longer exist or may be modified by the President when-*  
25    *ever the Secretary of Agriculture finds and certifies to the*



1 *President that changed circumstances require such modifi-*  
2 *cation to carry out the purposes of this section.*

3       “(e) *Any decision, finding, or certification of facts and*  
4 *required fees or quantitative limitations of the Secretary of*  
5 *Agriculture under this section shall be final.*

6       “(f) *No international agreement hereafter shall be*  
7 *entered into by the United States, or renewed, extended, or*  
8 *allowed to extend beyond its permissible termination date*  
9 *in contravention of this section.”*

Passed the House of Representatives March 23, 1950.

Attest:

RALPH R. ROBERTS,

*Clerk.*

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# AN ACT

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To increase the borrowing power of Commodity  
Credit Corporation.

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MARCH 24 (legislative day, MARCH 8), 1950  
Read twice and referred to the Committee on  
Agriculture and Forestry

MARCH 30 (legislative day, MARCH 29), 1950  
Reported with an amendment









# H. R. 6567

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IN THE SENATE OF THE UNITED STATES

APRIL 13 (legislative day, MARCH 29), 1950  
Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. IVES, Mr. SALTONSTALL, Mr. HENDRICKSON, Mr. BRIDGES, Mr. FLANDERS, Mr. TOBEY, and Mr. CAIN) to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, viz:

1       On page 1, strike out sections 1 and 2 and renumber  
2 section 3 accordingly.

3       At the appropriate place in the bill insert a new section  
4 to read:

5       “SEC. . Paragraphs (1) and (2) of subsection (d)  
6 of section 101 of the Agricultural Act of 1949 (Public Law  
7 Numbered 439, Eighty-first Congress) are hereby repealed.”

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## AMENDMENTS

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Intended to be proposed by Mr. WILLIAMS (for himself, Mr. IYEs, Mr. SALTONSTALL, Mr. HENDERICKSON, Mr. BRIDGES, Mr. FLANDERS, Mr. TOBEY, and Mr. CAIN) to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

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APRIL 13 (legislative day, MARCH 29), 1950  
Ordered to lie on the table and to be printed







the Navy Department will take no further steps to collect the balance of the \$63,000 and will return the \$6,200 already collected. The Navy Department estimates that there will be less than 100 claims for reimbursement for shipments of household effects which were authorized prior to June 13, 1947, the cost of which will not exceed \$30,000. Therefore, the total additional cost of this bill might involve approximately \$36,200.

The committee considered all aspects of this problem, including the views of the Comptroller General, and concluded that in view of the small number of claims involved and that shipments were made in good faith, it is in the best interest of all concerned to recommend the favorable consideration of this bill.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2860) to authorize payment for the transportation of household effects of certain naval personnel, which had been reported from the Committee on Armed Services, with an amendment, on page 2, line 1, after the word "been", to strike out "effected" and insert "authorized", so as to make the bill read:

*Be it enacted, etc.,* That payment of the cost of transportation (including packing, crating, drayage, and unpacking) of household effects of members of the naval forces, upon release from active duty, from their homes of record to places selected by such members is hereby authorized to be made from current appropriations as may be available for such services and any payments representing the cost of such transportation (including packing, crating, drayage, and unpacking) heretofore made, are ratified and approved: *Provided*, That such transportation shall have been authorized prior to June 13, 1947, pursuant to duly promulgated regulations of the Navy Department: *Provided further*, That the transportation costs authorized to be paid hereunder are limited to the constructive costs of transportation from the last duty stations to the homes of record.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS PASSED OVER

The bill (S. 3304) to amend the Economic Cooperation Act of 1948, as amended, was announced as next in order.

The PRESIDING OFFICER. This bill is the unfinished business, and it goes over automatically.

The bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation was announced as next in order.

Mr. WILLIAMS. I ask that the bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

The bill (H. R. 7797) to provide foreign economic assistance was announced as next in order.

Mr. HENDRICKSON. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

#### LAWRENCE B. WILLIAMS AND VIVA CRAIG WILLIAMS

The bill (H. R. 6696) for the relief of Lawrence B. Williams and his wife, Viva Craig Williams, was considered, ordered to a third reading, read the third time, and passed.

#### EDGAR F. RUSSELL AND OTHERS

The bill (H. R. 6695) for the relief of Edgar F. Russell; Lillian V. Russell, his wife; and Bessie R. Ward, was considered ordered to a third reading, read the third time, and passed.

#### HUGO GEIGER

The bill (S. 356) for the relief of Hugo Geiger was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at port of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917, as amended (U. S. C., title 8, sec. 136 (a)), which excludes from admission into the United States persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude, shall not hereafter be held to apply to Hugo Geiger, the son of Otto and Karoline Geiger, who are American citizens, on account of the offense alleged to have been committed by him in connection with a theft of food in Germany. If he is found otherwise admissible under the immigration laws, an immigration visa may be issued and admission granted to the said Hugo Geiger under this act upon application hereafter filed.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota for nationals of Germany during the current year.

#### CLEMENTE SABIN DOPICO

The bill (S. 118) for the relief of Clemente Sabin Dopico was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws Clemente Sabin Dopico, also known as Clementi Sabin Dopico, of Tampa, Fla. (file No. A-6279638), shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon payment by him of the required head tax and visa fee.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued with respect to the said Clemente Sabin Dopico.

SEC. 3. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Spain.

#### MARIA FRANZIA

The bill (S. 290) for the relief of Maria Franzia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the provisions of section 401 (e) of the Nationality Act of 1940, as amended (U. S. C., title 8, sec. 801 (e)) (relating to loss of nationality through voting in a political election in a foreign state), shall not apply in the case of the participation of Maria Franzia, of the Province of Ligure, Italy, in the elections in Italy in 1946.

#### DOROTHEA SINGER

The bill (S. 395) for the relief of Dorothea Singer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws, Dorothea Singer (No. A-524483 E & RAU), temporarily residing in New York, N. Y., shall be deemed to have been lawfully admitted into the United States for permanent residence, as of the date of her last actual entry into the United States, upon payment by her of the required visa fee and head tax.

SEC. 2. The Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond issue in the case of Dorothea Singer. From and after the date of enactment of this act the said Dorothea Singer shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or such warrants and order have issued.

SEC. 3. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available quota for nationals of Hungary.

#### EMMA L. JACKSON

The bill (S. 404) for the relief of Emma L. Jackson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, to Emma L. Jackson, of Indianapolis, Ind., in full settlement of all claims against the United States on account of the death of her husband, Everett L. Jackson, who died as a result of injuries sustained while fighting a fire at Fort Benjamin Harrison, Ind., May 31, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with his claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### VIT KOMAREK

The bill (S. 1143) for the relief of Vit Komarek was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That for the purposes of the immigration and naturalization laws,



the alien, Vit Komarek, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

#### MRS. MARIE GULBENKIAN

The bill (S. 1214) for the relief of Mrs. Marie Gulbenkian was announced as next in order.

The PRESIDING OFFICER. House bill 3771, Calendar 1442, is an identical House bill. Is there objection to the consideration of the House bill, instead of the Senate bill?

There being no objection, the bill (H. R. 3771) for the relief of Mrs. Marie Gulbenkian was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1214 will be indefinitely postponed.

Mr. SPARKMAN. Mr. President, in that connection let me say that I understood that the Senate bill was reported with an amendment. Does the Senate bill with the amendment correspond to the House bill?

Mr. McCARRAN. That matter is taken care of in the House bill.

#### WILHEMUS JOHANNES MARIE VAN DER KOOY

The bill (S. 1419) for the relief of Wilhemus Johannes Marie Van Der Kooy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That for the purposes of the immigration and naturalization laws, the alien, Wilhemus Johannes Marie Van Der Kooy, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 6, 1948, the date on which he was admitted as a visitor, upon payment of head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

#### ANTON BOS

The bill (S. 1561) for the relief of Anton Bos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, in the administration of the immigration laws, Anton Bos, of Oakland, Calif., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

Sec. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of the Netherlands.

#### KARIN MARGARETA HELLEN AND OLOF CHRISTER HELLEN

The bill (S. 1693) for the relief of Karin Margareta Hellen and Olof Christer Hellen was considered, ordered to be en-

grossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws, Karin Margareta Hellen and her minor son, Olof Christer Hellen, of Portland, Oreg., who were admitted into the United States on temporary visas, shall be deemed to have been lawfully admitted into the United States for permanent residence as of October 24, 1948, upon the payment of the required visa fees and head taxes.

Sec. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the first available immigration quota for nationals of Finland.

#### ZORA KRIZAN

The bill (S. 1753) for the relief of Zora Krizan, also known as Zorardo Krizanovna, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That in the administration of the immigration laws, Zora Krizan, also known as Zorardo Krizanovna, of Perryville, Pa., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 16, 1948, the date on which she entered the United States on a temporary visa, upon payment of the required head tax and visa fee.

Sec. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Czechoslovakia.

#### MARINA GEORGE PAPADOPOULOS

The bill (S. 2265) for the relief of Marina George Papadopoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That for the purposes of the immigration and naturalization laws, the alien, Marina George Papadopoulos, Las Vegas, Nev., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date she last entered the United States, upon payment of the head tax and visa fee. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

#### MRS. OSA J. PETTY

The bill (S. 3012) for the relief of Mrs. Osa J. Petty was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Osa J. Petty, of New Matamoras, Ohio, the sum of \$78.37, in full satisfaction of her claim against the United States for compensation for performing the duties of lamplighter for the Wells Island Light in the Ohio River during the period from January 18, 1949, to May 28, 1949: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor

and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### LT. (JG) CHARLES W. IRELAND, ETC.

The bill (S. 3090) for the relief of Lt. (Jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the payments made by Lt. (Jg) Charles W. Ireland, Supply Corps, United States Navy, symbol No. 573180, to certain civilians employed by the Navy Department in the maintenance and operation of the Aiken Relay Calculator, for the cost of their travel and that of their dependents and for the cost of transportation of their household effects incident to the transfer of such personnel from Cambridge, Mass., to Dahlgren, Va., are hereby ratified and the Comptroller General of the United States is hereby authorized and directed to credit the accounts of the said Lt. (Jg) Charles W. Ireland in the amounts of such payments.

Sec. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert W. Rose the sum of \$143.56, which sum represents reimbursement for expenses incurred by him in the transportation of his household effects to Dahlgren, Va.

#### SALOMON HENRI LAIFER

The Senate proceeded to consider the bill (S. 304) for the relief of Salomon Henri Laifer, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 1, after the word "the", to strike out "nonpreference category of the first available immigration quota for nationals of France" and insert "appropriate quota for the first year that such quota is available", so as to make the bill read:

*Be it enacted, etc.,* That in the administration of the immigration and naturalization laws Salomon Henri Laifer, of Bridgeport, Conn. (file No. A-6965201), who entered the United States as a visitor on July 19, 1948, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of July 19, 1948, upon payment by him of the required head tax and visa fee.

Sec. 2. Upon enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### LOW WAY HONG

The Senate proceeded to consider the bill (S. 381) for the relief of Low Way Hong, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause, and insert the following:

That, for the purposes of immigration and naturalization laws, Low Way Hong, the minor child of Low Wen Been, a citizen of the United States, shall be considered as eligible for admission to the United States under the provisions of sections 4 (a) and 9 of the Immigration Act of 1924, if otherwise admissible under the immigration laws.

The amendment was agreed to.







81<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6567

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IN THE SENATE OF THE UNITED STATES

APRIL 28 (legislative day, MARCH 29), 1950

Ordered to lie on the table and to be printed

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## AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. IVES, Mr. SALTONSTALL, Mr. HENDRICKSON, Mr. BRIDGES, Mr. FLANDERS, Mr. TOBEY, and Mr. CAIN) to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

- 1 That paragraphs (1) and (2) of subsection (d) of
- 2 section 101 of the Agricultural Act of 1949 (Public Law
- 3 Numbered 439, Eighty-first Congress) are hereby repealed.

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# AMENDMENT

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## (IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. Ives, Mr. SAITONSTAIL, Mr. HENDRICKSON, Mr. BRIDGES, Mr. FLANDERS, Mr. TOBEY, and Mr. CAIN) to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

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APRIL 28 (legislative day, MARCH 29), 1950

Ordered to lie on the table and to be printed







surance that he will again call up the bill at a time at which we can marshal our full strength and give the Members of the Senate an opportunity to vote on cloture at least once, probably twice. It seems to me, that, with this understanding, the situation is entirely clear, and I think it is wise to await a time when we can marshal our complete and full strength.

Mr. LUCAS. I am grateful to the junior Senator from New York for the contribution he has made.

If there is no further question with respect to FEPC—

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. Some of us who are interested in the other side of this question would like to be assured that we shall likewise be given notice of the time when the Senator will execute this great coup and give all the devotees of FEPC an opportunity to get their expressions of loyalty and fealty to the FEPC in the CONGRESSIONAL RECORD and bring it to a vote.

Mr. LUCAS. I can assure my friend from Georgia that he will be duly notified. In fact, I propose to talk to him first about it, because I have a feeling that perhaps the Senator from Georgia, who is a great leader in the Senate and one of the very strong opponents of FEPC legislation, might change his mind a little and become a somewhat more charitable, a little more tolerant, give us an opportunity to take up the bill, and then let the Senator fight it with all his might and main. It is merely a motion, as my able friend knows, and I feel that he might relax just a bit.

Mr. RUSSELL. I appreciate the kind language of the distinguished Senator from Illinois. I hope I am not lacking in either charity or tolerance, but if the Senator entertains any hopes that I shall agree to any legislative process with reference to this half-baked measure, I regret to advise him that I very much fear they will be blasted.

Mr. LUCAS. I was afraid I would receive that answer, but I think we can make the try, anyway.

Mr. RUSSELL. Very well.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. LUCAS. Mr. President, I now move that the Senate proceed to the consideration of House bill 6567 to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President—

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Is the motion debatable?

The VICE PRESIDENT. The motion is debatable, and so is the bill.

Mr. LUCAS. If we are going to get into a debate on the motion, I should like to say a word or two.

Mr. MUNDT. Mr. President, will the Senator yield? I do not want to debate it.

Mr. LUCAS. I was hoping to get the bill up before debate started.

Mr. WILLIAMS. Mr. President, will the Senator yield? I shall not take more than a couple of minutes. Following that, I understand the Senator from South Dakota wishes to address the Senate.

Mr. LUCAS. Cannot the Senator—

Mr. WILLIAMS. I shall be through in about 2 minutes, if the Senator will wait.

Mr. LUCAS. I will wait for 5 minutes.

Mr. WILLIAMS. Mr. President, I merely wanted to point out that there is no emergency with regard to this particular proposed legislation. The report coming from the Commodity Credit Corporation within the past few days shows that its fiscal condition as of April 30 is greatly improved. Since last January, when the Corporation made a request for these additional funds, there has been a near failure in the winter-wheat crop. This eliminates the necessity for a great deal of the money. The last, but not the least, argument against taking the bill up at this time is that the audited reports of the Corporation have not been submitted to Congress, as required by law. At the time when hearings were had on the bill, I appeared before the subcommittee, of which the Senator from Louisiana [Mr. ELLENDER] was chairman, and made the request that the books of the Corporation be submitted to the Senate for our inspection. This the committee promised would be done. But that request has not been complied with. So far, those books have not been submitted to the Senate. There is still a sum of \$366,000,000 which is not accounted for. I do understand that an intermediate report is being presented to the Senate today which will show that they have now found all but about \$96,000,000. That is still a great deal of money. Until the books have been submitted to the Senate, I think we have no right to ask Members of the Senate to vote on this proposed legislation. The books for the years 1948 and 1949 have not been produced. In 1945, Congress passed a law which specifically stated that the audited reports of every Government corporation must be submitted to the Congress not later than January 15, following the end of each fiscal year. For the past 5 years, this Corporation has ignored and violated this requirement of the law. If we are not going to demand that these corporations comply with the law, then let us repeal the law and thereby serve notice on the American taxpayers that they need not expect any accounting for the spending of their money. I shall oppose extending any additional authority upon this Corporation until they account for the money they have already spent.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, which had been reported from the Committee on Agriculture and Forestry, with an amendment.

#### LEGISLATIVE PROGRAM

Mr. LUCAS. Before debate begins on the pending measure, I should like to make a statement with respect to the program following the disposition of the measure. I sincerely hope that we may conclude debate on the Commodity Credit Corporation bill and get a vote on it this afternoon. Following action upon it we shall take up H. R. 6000, which is the social-security bill. How long it will take to consider that measure I am not certain. In the meantime we may be compelled to lay aside temporarily the social-security bill in order to give consideration to the rent control bill. As Senators know, rent control expires on June 30. Both of the measures to which I have alluded are now pending on the Senate Calendar. I merely wish to make that statement so that Senators can govern themselves accordingly.

Mr. SALTONSTALL. I should like to inquire of the majority leader what his plans are with respect to the conference report on the displaced-persons bill, and when he intends to have it considered.

Mr. LUCAS. In reply to the distinguished Senator from Massachusetts, I should like to state that the conference report will first be submitted to the House of Representatives. After the House has acted on it, the report will come to the Senate. The distinguished chairman of the Committee on the Judiciary [Mr. McCARRAN] told me last week that he thought the House of Representatives would act on the report not later than Wednesday of this week. When it comes to the Senate, it will come as a privileged matter, and may be taken up at almost any time.

Mr. SALTONSTALL. Will it probably come before the Senate this week?

Mr. LUCAS. It is possible that it may come before the Senate this week.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I should like to ask the able majority leader whether it is his intention to allow sufficient time for the transaction of routine business without debate and without speeches before we begin debate on the pending measure?

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the Record, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.



REPORT OF CIVIL SERVICE COMMISSION—  
MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Post Office and Civil Service:

*To the Congress of the United States:*

I am transmitting herewith the Sixty-sixth Annual Report of the United States Civil Service Commission. This report covers the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, June 5, 1950.

[NOTE.—The report accompanied a similar message to the House of Representatives.]

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred, as indicated:

SUPPLEMENTAL ESTIMATES, POST OFFICE DEPARTMENT (S. Doc. No. 178)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950, in the amount of \$626,200, and a revised supplemental estimate, involving an increase of \$4,000,000 for the Post Office Department (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

COMPULSORY HEALTH INSURANCE—  
STATEMENT OF POSITION OF BALTIMORE ASSOCIATION OF COMMERCE

Mr. O'CONOR. Mr. President, I wish to bring to the attention of the Senate a formal statement adopted by the Baltimore Association of Commerce, with regard to its opposition to the principle of compulsory health insurance. This is a matter about which the people of my State are particularly concerned and the position taken by this outstanding organization of business leaders, is in thorough accord with the great number of expressions on this matter which have come to me. I present the statement for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

STATEMENT OF POSITION OF THE BALTIMORE ASSOCIATION OF COMMERCE WITH RESPECT TO COMPULSORY HEALTH INSURANCE

The Baltimore Association of Commerce, by action of its Board of Directors, is opposed

to the principle of compulsory health insurance, and particularly the so-called socialized medicine aspect of the President's health program as included in pending Senate bill No. 1679.

The association believes that Federal control would be detrimental to the further advancement of the medical profession which has, through private practice, established the world's highest medical standards and provided the largest number of doctors per capita of any nation; that it would destroy the present relationship between doctor and patient; would require a major increase in the Federal budget; and would create the need for another Government organization for administration of the program.

Furthermore, it is believed that the present system of medical care and the rapid increase in voluntary health and hospitalization plans will provide, in a democratic way, better medical service to the people of this country.

To assure continued advancement in the field of medicine and medical care, and to avoid further increases in Government expenditures, the association is strongly opposed to pending legislation for compulsory health insurance.

APRIL 27, 1950.

CONSTITUTIONAL GOVERNMENT FOR PUERTO RICO—RESOLUTION OF PUERTO RICAN STATEHOOD PARTY

Mr. BUTLER. Mr. President, by request, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Territorial Committee of the Puerto Rican Statehood Party, relating to the holding of hearings by the Committee on Interior and Insular Affairs on Senate bill 3336, to provide for the organization of a constitutional government by the people of Puerto Rico.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

I, Eduardo Ortiz Reyes, executive secretary of the Puerto Rican Statehood Party, do hereby certify that the following resolution was unanimously adopted by the Territorial Committee of the Puerto Rican Statehood Party at its meeting held on the 30th day of May 1950, at San Juan, Puerto Rico:

"Whereas the fact that the Committee on Interior and Insular Affairs of the United States Senate has terminated hearings on Senate bill 3336 without affording an opportunity to be heard to all persons interested in said bill, which purports to authorize Puerto Rico to adopt its own constitution, has caused surprise and dissatisfaction in Puerto Rico, and, very particularly, in the statehood party of Puerto Rico, composed of American citizens who have consistently defended the democratic principles of government proclaimed by the United States and the implementation in Puerto Rico of the American institutions; and

"Whereas the action of said Committee of Interior and Insular Affairs in recommending approval of the bill without hearing this section of public opinion, which had expressed officially its desire to appear in opposition to such measure, is contrary to American democratic tradition; and

"Whereas the Statehood Party of Puerto Rico would like to express its points of view with reference to said bill which affects the future of Puerto Rico, in order that the Congress of the United States should have before it, should know, and should fully comprehend the real scope of such legislation; and

"Whereas the Congress of the United States has at all times shown its concern about

hearing all persons affected by any proposed legislation before approval thereof, and particularly the people of Puerto Rico when such pending legislation may affect them collectively; and

"Whereas the importance and the extent of Senate bill 3336, from the point of view of constitutional and international law, and its economic implications, require that a most careful study thereof should be made by all citizens capable of grasping, without prejudice or emotional bias, its real meaning before the bill is submitted to a public referendum:

"Now, therefore, the Statehood Party of Puerto Rico genuinely expressing the feeling and desires of Puerto Rican public opinion, as manifested by the local press, emphatically and with all due respect requests, upon the basis of its constitutional right of petition, that the corresponding committees of the Congress charged with the study and recommendation of Senate bill 3336, give this party the opportunity of appearing before such committees and expressing its points of view with respect to the above-mentioned bill. This party hopes and expects that the hearings here requested shall preferably be held in Puerto Rico, but, if not possible, then in the United States, inasmuch as the importance of the proposed legislation requires a most careful study of its various political, economical, and social aspects."

In witness whereof, I have hereunto set my hand and caused to be affixed the seal of the Statehood Party of Puerto Rico, at my office in San Juan, Puerto Rico, on this the thirty-first day of May A. D. 1950.

EDUARDO ORTIZ REYES,

Executive Secretary, Statehood Party of Puerto Rico.

COMPULSORY HEALTH INSURANCE—  
RESOLUTION OF RAVENNA (NEBR.) LIONS CLUB

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Ravenna (Nebr.) Lions Club, protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Under our present system of free enterprise our American families are now receiving the finest quality of medical care available in any country in the world; and

Whereas in other countries where compulsory health insurance has been put into effect it has caused a decline in the national health and deterioration of the medical standards and facilities to the sad detriment of that nation's family welfare; and

Whereas, wherever tried, compulsory health insurance has taken away the family's right to choose its own family physicians; and

Whereas one of the most objectionable features of compulsory health insurance, wherever tried by other nations, is the fact that the family privacy has been invaded, and violation of the sanctity of the patient-physician relationship has been brought about; and

Whereas compulsory health insurance would immediately result in a tax of 3 percent on the income of the American workingman, and this tax would rise to 6 percent and possibly even higher within a few years, which would create a new tax burden, which would naturally reduce the household budgets and bring down the family standards of living; and

Whereas Government control of medical services would threaten national bankruptcy and would encourage the spread of socialism,



strengthen our regions of the world without weakening the forces of freedom here at home.

Mr. President, out in South Dakota, a great educator by the name of James Christian Lindberg, teaching at a teachers' college in Aberdeen, S. Dak., formed a South Dakota State poetry society of which he became the president and the directing genius and of which I was for a time the vice president. During his lifetime Dr. Lindberg wrote many important poems and did much to raise the cultural levels of the Middle West which he served so well for so long. There comes to mind today a four-line poem, written by James Christian Lindberg, which it seems to me holds promise for the side of freedom in this contest and gives credence to the thought that if we on our side of the ideological conflict utilize resources and techniques which we have available and do not permit this cold war to degenerate into a shooting one, we shall be able to conclude it with victory and be sure that communism in the end will deteriorate because of its own deficiencies and enemies. Here is what the poet, Dr. Lindberg, one time wrote:

A foolish hermit closed his doors and said:  
 "I'll live a Godly life untouched by sin."  
 Alas! who builds a wall about himself,  
 Shuts out much more of God than he shuts in.

Mr. President, this being true, as it is, of a hermit and a man of God, how much more certain it is to be true of a dictator and a godless creed like communism. The iron curtain of Russia and of the Communist countries of the world is certain to shut out much more of freedom, of hopefulness, of peace, and happiness than it could possibly shut in. Russia's iron curtain shuts out for the millions under its control the rights of private enterprise, of political independence, of free choice and free decision. It shuts out the good intentions and the friendly advances of unselfish freedom-loving people like Americans. It shuts out the hopes and prayers and purposes of all the people on this side of the iron curtain who seek only to perpetuate the peace and to promote better understanding and welfare for the multitudes.

Russia's iron curtain shuts in the misery, the disillusionment, and the despair which comes to those denied the rights of freedom-loving men and women and includes even those in command at the top who never can be sure from dawn to dusk but that some desperate individual, tortured to recklessness, will throw a bomb, or pull a trigger on a gun, or drop some poison in the food in order by such frantic sacrifice to try to bring new opportunities to those who still survive.

Mr. President, America has nothing which it feels called upon to "shut out" from other regions of the world and it has no "know-how" that it feels compelled to "shut in" for use by ourselves alone. We have nothing to sell but peace and progress and prosperity around the world. We have the techniques and the devices and the resources available to defeat the menace of communism and get the message of America across by word and sound and picture so that all

can see and so that many can believe. In my mind, this opportunity presents the greatest challenge of the hour.

To the Voice of America, I suggest that we now add the "Vision of America." I predict that this "see bomb" can put in motion chain reactions for constructive good which will rival in their magnitude the destructive consequences of the chain reactions of the A-bomb.

Mr. SMITH of New Jersey. Mr. President, before the distinguished Senator from South Dakota takes his seat I should like to add a word, if I may. I wish to express my regret that because of another engagement I was not present in the Senate Chamber when the Senator began his splendid and spirited address. I wish to commend him for this additional evidence of the study made by him of the important question of the Voice of America and, now the Vision of America. I had the honor and privilege of collaborating with the Senator from South Dakota in the legislation and in the work which is now being carried out. We traveled together in the summer of 1947 to look into the whole question of how best we could sell the idea of America to the other countries of the world. I simply wish to add this word to commend my distinguished colleague upon the additional contribution he has now made to this important matter.

Mr. MUNDT. I thank the Senator from New Jersey very much.

Mr. MARTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from South Dakota yield to the Senator from Pennsylvania?

Mr. MUNDT. I yield for a question.

Mr. MARTIN. I have been very greatly impressed by what the Senator has just had to say. I am sorry I did not come into the Senate Chamber in time to hear the Senator's entire address, but I shall read it. I did not want to disturb the Senator in the middle of his address.

The Senator made mention of jamming by our enemies of our Voice of America program. I think it would be wise if the Senator went a little more into detail by making an explanation of what he meant by that expression. I did not quite follow him.

Mr. MUNDT. I shall be happy to do so. I think perhaps the word "jamming" is a somewhat technical term used by persons who are technicians in the field of radio. By jamming I mean that the Russians have set up techniques in their country whereby, by projecting sounds and noises, they are able to obliterate the reception of our Voice of America program in many regions of the world. They are at the moment using some 250 radio stations from behind the iron curtain trying to destroy the effectiveness of our broadcasts. That presents a very serious situation, but it shows also that the Russians recognize that when our Voice of America broadcasts do get through they have a tremendous impact upon the people behind the iron curtain who have no other access to the truth. We are trying by

every possible technical device to overcome this jamming, this interference, this obliteration of the reception of our broadcasts.

Relating that to the television program which I have recommended for use in certain areas of the world, where we are trying to secure and hold the loyalties and friendships of people in foreign lands, while the television projection is sent out from only 75 miles to 150 miles by relay stations, it is also technically correct that the jamming operations of the enemy can also be sent for only such a distance; so that gives us an entire jam-free area of the world until we get within, say, 50 miles of the Russian border. For the rest of the world it is impossible for the Russians to jam a television broadcast, whereas they are able to jam short wave broadcasts at considerably greater distances. Thus the television techniques I have described are able to overcome the challenge of "jamming."

Mr. MARTIN. I thank the Senator very much.

Mr. MUNDT. I thank the Senator from Pennsylvania for his inquiry.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1719. An act to amend section 3 of the Act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma;

S. 1739. An act to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent, and for other purposes;

S. 1959. An act to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes;

S. 2117. An act to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave;

S. 2274. An act to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes;

S. 2969. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce;

S. 3093. An act to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein;

S. 3118. An act relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes; and

S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior.

The message also announced that the House had insisted upon its amendment to the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RANKIN, Mr. ALLEN



of Louisiana, Mr. TEAGUE, Mr. KEARNEY, and Mr. DAVIS of Wisconsin were appointed managers on the part of the House at the conference.

#### CALL OF THE ROLL

Mr. MUNDT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hoey	Mundt
Brewster	Ives	Murray
Bricker	Johnson, Colo.	Neely
Butler	Johnson, Tex.	O'Connor
Cain	Kem	O'Mahoney
Capehart	Kerr	Pepper
Chapman	Kilgore	Robertson
Connally	Knowland	Russell
Cordon	Leahy	Saltonstall
Donnell	Lehman	Smith, N. J.
Douglas	Lodge	Sparkman
Dworshak	Lucas	Stennis
Eaton	McCarran	Taft
Ellender	McCarthy	Thomas, Utah
Ferguson	McClellan	Thye
Flanders	McKellar	Tydings
Frear	McMahon	Watkins
George	Magnuson	Wherry
Gillette	Malone	Williams
Green	Martin	Withers
Hayden	Millikin	
Hendrickson	Morse	

The PRESIDING OFFICER. A quorum is present.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, I am glad that the Senate has at last consented to consider the bill to increase the borrowing power for the Commodity Credit Corporation.

It will be recalled that early in March the Committee on Agriculture and Forestry reported to the Senate for consideration a bill to increase the borrowing power of the Corporation, but in the bill there was included an amendment which was considered obnoxious by the Department of Agriculture. That amendment would have required the Commodity Credit Corporation to employ the services of dealers, commission merchants, and other usual and customary channels, facilities, and arrangements of trade and commerce, in the acquisition, warehousing, transporting, processing, or handling of agricultural commodities.

It will be recalled that the Senate recommitted the bill to the Committee on Agriculture and Forestry. The committee chairman then appointed a subcommittee to hold further hearings with respect to the bill, which contained the amendment to which I have just referred. I was selected as chairman of the subcommittee, and with the Senator from Florida [Mr. HOLLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Vermont [Mr. AIKEN], and the Senator from Minnesota [Mr. THYE], set to work to consider the bill as it had been amended. After extended hearings the committee unanimously reported the bill which is now pending. When I say it was unani-

mously reported, I mean that all Senators present and voting agreed on the recommendation.

In the meantime, and while hearings were being held by our subcommittee, the House of Representatives considered and passed a bill to increase the borrowing power of the Commodity Credit Corporation, and in due time that bill was referred to the Senate Committee on Agriculture and Forestry. Instead of reporting its own bill, namely, S. 2826, the committee decided to substitute the House bill. In a moment I shall discuss some of the reasons why the committee refused to place the so-called Thye amendment in the bill, and why it incorporated the so-called Magnuson amendment.

H. R. 6567 provides for an increase of \$2,000,000,000 in the borrowing power of the Commodity Credit Corporation. The Commodity Credit Corporation is perhaps the most important of all the agencies of the United States Government in maintaining the economic health of the Nation, and, of course, particularly of the farmers. It is the financial organization through which are carried out the loans and purchases providing price supports for farmers. It has had a fine record of achievement, before the recent war, during the war, and since.

At present the Corporation has a borrowing power of \$4,750,000,000. This means that we, the Congress, have placed a limit of four and three-fourths billion dollars on the amount the Corporation may owe the United States Treasury or banks at any one time. The limit applies to the sum of actual borrowings and obligations on the part of the Corporation to reimburse banks for CCC loans such banks make with their own funds as lending agencies of the Corporation.

Although we placed this limit on the Corporation's financial resources in 1945, we, the Congress, have by laws which we have passed directed the Corporation to carry out price-support operations for farmers. We have said that the Corporation shall carry out these operations because we recognize clearly the key importance of a sound and prosperous farm economy to the prosperity of the Nation as a whole. We have recognized the magnificent production job that farmers did for the free world during and after the late war. We have insisted that farmers' incomes be protected during the period of production adjustment that must inevitably follow the high levels attained to meet war and immediate postwar needs.

We have told the farmers of this Nation that we would not let them down. The Congress has a strong obligation to make available to the CCC the resources necessary for it to carry out effectively the price-support programs which the law says shall be carried out.

When the Senate Committee on Agriculture and Forestry voted to report H. R. 6567 on March 28, 1950, we asked the Secretary of Agriculture to provide us with up-to-date information on the status of the CCC's borrowing authority. I may state, Mr. President, that the letter to which I have just referred and

the data furnished by the Secretary of Agriculture appear in full on pages 1 and 2 of the committee report accompanying the bill.

We also asked him if any significant changes had taken place in the prospective needs for additional borrowing power. In a letter dated March 29, 1950, the Secretary said that as of February 28, approximately \$937,000,000 of the \$4,750,000,000 had not been borrowed. However, on the same date, current operating obligations on the books which will in part be liquidated by additional borrowings amounted to \$568,000,000. Thus, as of February 28, the total obligations against the CCC's borrowing power amounted to nearly \$4,400,000,000, or a little over the peak which was estimated by the Department would be reached this spring in the support of 1949 crops.

Mr. WILLIAMS. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Will the Senator from Louisiana place in the Record at the same time how the figures stand as of today, or rather as of June 1?

Mr. ELLENDER. Yes. I will do so now. The latest report available from the Department of Agriculture is that of April 30, 1950. As the distinguished Senator from Delaware knows, the Department must consult and receive data from more than 3,000 PMA offices as well as approximately 12,000 banks, throughout the Nation. The latest accurate information the Department is able to furnish, as I stated, is as of April 30, 1950. The report shows that the borrowings from the United States Treasury were \$2,801,000,000; from the banks, \$2,035,955.99, or a total of \$2,803,065,955.99.

Obligations to purchase commodity loans held by leading agents—that is borrowings that were made by the farmers direct from the banks aggregated seven - hundred - and - thirty - seven - million - one - hundred - and - twenty - five-thousand-and-some-odd dollars as of that date. Obligations for guaranteeing storage-facility loans were \$4,448,000. A total statutory obligation of \$3,544,639,320.45 existed. The net statutory borrowing authority remaining available, as of April 30, was \$1,205,360,679.55.

However, Mr. President, I desire to point out to the Senate that there are to be charged against this amount of \$1,205,000,000, other obligations which the Commodity Credit Corporation may be called upon to meet at any time upon demand. These obligations aggregated \$750,104,446.52 as of April 30, 1950. In other words, deducting that amount from the net statutory borrowing authority of the Commodity Credit Corporation there remained available on April 30, 1950, the sum of \$450,000,000 which the Corporation could use to carry out programs authorized by the Congress.

Mr. President, I ask unanimous consent that the entire statement to which I have just referred may be incorporated in the Record at this point in my remarks.



There being no objection, the statement was ordered to be printed in the RECORD, as follows:

*Status of statutory borrowing authority as of April 30, 1950, and obligations as of that date which may require the use of borrowing authority*

Statutory borrowing authority	\$4,750,000,000.00
Borrowings:	
From U. S. Treasury	2,801,000,000.00
From banks	2,065,955.99
Total	2,803,065,955.99
Obligations to purchase commodity loans held by lending agencies	737,125,280.44
Obligations for guaranty of storage facility loans held by lending agencies	4,448,075.02
Total statutory obligations	3,544,639,320.45
Net statutory borrowing authority available	1,205,360,679.55
<i>Memorandum: other obligations which may require the use of borrowing authority</i>	
Other obligations:	
Contingent liabilities under outstanding purchase agreements	\$211,367,000.00
Approved commitments to make or guarantee loans on storage facilities	2,601,321.00
Loans approved, not fully processed	19,622,369.64
Accounts payable	391,424,306.42
Accrued liabilities	125,089,449.46
Total other obligations	750,104,446.52

#### NEED FOR ADDITIONAL CCC BORROWING POWER

1. Present resources: The Commodity Credit Corporation now has a borrowing power of \$4,750,000,000 and paid-in capital of \$100,000,000.

2. Borrowing power in use: As of March 31, 1950, the Corporation had outstanding borrowings of \$2,779,000,000 and it was obligated to purchase \$1,087,000,000 of loans held by banks and other lending agencies operating under agreements with the Corporation. This made a total of \$3,866,000,000 of its statutory borrowing power actually in use. It also had other obligations already contracted in the amount of \$471,000,000, some part of which will require additional borrowings to liquidate (such as loans in process, purchase agreements, accounts payable, etc.).

3. Reason additional borrowing power needed: Most of the borrowing power in use is reflected in the Corporation's investment in price-support loans and inventories acquired in price-support operations. There will be some realization on this investment due to loan repayments and sales, and most of the price-support operations on all 1949 crops except corn have been completed. However, it is obvious that the Corporation is in no position to undertake the formulation and announcement of 1950-crop price-support programs with the small financial resources remaining available to it.

4. Amount needed: It is the Corporation's best estimate that it will need \$2,000,000,000 before starting 1950 crop-support operations and at the same time carry its investment in inventories not sold and leave a small margin of safety. The estimates must of necessity be subject to possible large error, since few of the 1950 crops involved have yet been planted.

5. Need for quick action: Planning 1950-crop operations and announcing approved programs should have preceded planting time. The law provides that it be done, and it would be only fair to farmers to let them know what they can expect. It has not been possible to do this, however, due to the lack of adequate borrowing authority. Harvesting has begun on 1950 crops in some areas. Thus, if fair and equitable treatment is to be given all producers, it is urgent that the increase of \$2,000,000,000 in the borrowing authority of the CCC be approved immediately. The laws providing price support to farmers are on the books, but they can be rendered ineffective and the structure of farm prices damaged extensively by any further delay in providing the CCC financial resources to carry out the program.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for another question.

Mr. WILLIAMS. Am I correct that the statement the Senator has just incorporated in the RECORD is a similar one relative to the borrowing authority of the Corporation.

Mr. ELLENDER. That is the one the Senator asked about, and which was furnished me. It reflects the status of CCC funds as of April 30, and, as I have just stated to the Senate, is the latest available statement the Department of Agriculture can furnish at this time.

Mr. WILLIAMS. Then this is the statement of the borrowing authority at the present time?

Mr. ELLENDER. It is a statement similar to that which was furnished the committee pursuant to our request of last March. As I pointed out in my statement a moment ago, a statement was furnished to us as of February 28, and it was at the time the last available information.

The Senator asked me if I had a later statement. My answer was "Yes." That statement I have given, which is, as I said, similar to the other statement which was furnished to the Committee on Agriculture and Forestry, but it is of a more recent date.

Mr. WILLIAMS. How does that figure compare with the one for February placed in the RECORD just previous to that?

Mr. ELLENDER. The Senator can easily compare them. If the Senator will take the report accompanying the bill, he will see on page 2 and the top of page 3 that as of February 28, the net statutory borrowing authority available was \$936,000,000-plus, and that the obligations were \$567,000,000-plus.

The difference between the statement to which I have just referred and this one is that the net statutory borrowing authority has increased to the sum of \$1,205,000,000 instead of \$936,000,000, but I should like to call the Senate's attention to the fact that the other obligations for which the Commodity Credit Corporation is responsible amounted to \$750,000,000 instead of \$567,000,000, as was shown in the report of February 28, 1950.

I should like to invite the Senator's attention to the fact that if he will deduct from the net statutory borrowing authority available in the report of Feb-

ruary 28, the other obligations, he will note that the difference is a little less than \$400,000,000 of available borrowing power, but under the most recent report the available borrowing power is about \$450,000,000, in round figures.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. In other words, the trend has reversed, and during April, cash was accumulating in the Department. I am wondering if the Senator has any information from the Department of Agriculture as to whether the trend has continued down through the month of May? Although the final figures may not be available, the Commodity Credit Corporation should know the trend.

Mr. ELLENDER. I tried last Friday to obtain that information, and I was informed by Department officials that the information was not available because they had not accumulated all the reports from the various agencies scattered throughout the United States. However, I was informed that judging from some of the reports which have come in, as compared with the figures appearing in the report of April 30, there will not be a significant difference when the report for May 31 is available.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Do I correctly understand, then, from the Senator from Louisiana that this trend of liquidating inventories has stopped, and that there has been no increase? Is that what the Senator from Louisiana is saying?

Mr. ELLENDER. There has been a slight change. The reason for that is that cotton has been selling for 2 or 3 cents above the loan rate; wheat, as well as corn, has been selling a little above the loan rate. However, it would not take long for those prices to change; and the moment they did, the farmers would be anxious to go to the Commodity Credit Corporation for relief, rather than sell their commodities at less than the support price.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Will the Senator from Louisiana agree with me that nothing which can happen to the market in the future could change the trend in the month of May, which has passed?

Mr. ELLENDER. That is the Senator's opinion. I have tried to point out that there are many things which can happen which could cause just the reverse. Much has been said in the newspapers about the drastic losses which have been sustained by the wheat growers in Kansas and other Western States in their spring wheat crop but I do not believe the situation is going to be as bad as all that.

Mr. WILLIAMS. Mr. President will the Senator yield further?



Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. I think the Senator from Louisiana misunderstood me. I said that nothing which can happen from this day forward can change what happened in the month of May. In May the prices were higher; soybeans, wheat, corn, and other commodities were selling at higher prices. So it is only natural that the farmers who held such commodities would have been liquidating them.

I am merely asking the Senator whether he has any information from the Department of Agriculture as to whether they have liquidated any of those commodities during the month of May.

Mr. ELLENDER. No; I have not, except there is some information as to certain amounts, just as there was in the interval between the February statement and the March statement. This information concerns merely the usual disposals.

Mr. WILLIAMS. I see the Senator from Vermont [Mr. AIKEN] on his feet. Perhaps he could answer the question.

Mr. AIKEN. Mr. President, will the Senator yield, in order to permit me to answer the question?

Mr. ELLENDER. I yield for a question; or, if there is unanimous consent, I yield in order to permit the Senator from Vermont to reply to the Senator from Delaware.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. AIKEN. I have been trying this forenoon to get from the Commodity Credit Corporation an estimate as to the trend of affairs, as to whether liquidations were exceeding the loans, or vice versa. So far, I have been unable to get anyone in the Commodity Credit Corporation even to hazard a guess as to whether the amount of liquidations was exceeding the amount of new loans, which primarily would be on corn. It seemed to me rather incredible that responsible persons in the Commodity Credit Corporation would not even hazard a guess as to the direction in which the trend was running. From that circumstance, in view of the proposed legislation coming before the Senate almost immediately—although I did not know it at that time—I took it that probably the liquidations were exceeding the amount of the new loans. That was the only conclusion I could draw, in light of my inability to get any indication at all as to the direction in which the trend was running.

Mr. ELLENDER. I have no doubt that may be possible. As the Senator knows, the 1949 corn loans were closed on May 3, 1950, I believe.

Mr. AIKEN. That is correct.

Mr. ELLENDER. And the farmers continued to make loans until that date. In a moment, I expect to place in the RECORD figures to show the enormous amounts of commodities which now belong to the Commodity Credit Corporation, and on which the Commodity Credit Corporation has made loans in the past.

It does not take much, as the Senator knows, to change a trend. The moment prices of wheat, corn, or cotton go down the least bit, the farmers will rush to have protected in some way through this instrumentality which we have provided, whatever amounts of those commodities they have on hand.

Mr. AIKEN. Of course, between now and the first of August, under the law, liquidations should greatly exceed the amount of new loans; but I am sure the Senator from Louisiana will agree with me that it would be much easier to act intelligently upon the proposed Commodity Credit Corporation legislation if the Corporation would keep the Members of Congress better informed as to what is going on in its business and would keep us constantly up to date. That would do away with a great deal of uncertainty.

Mr. ELLENDER. Let me point out that the committee has had no difficulty in obtaining any information it requested from the Department. Of course, when it comes to obtaining a guess from the Department, it is reluctant to make one. However, I am giving the Senate today the last available authentic information, and that is what I am asking the Senate to go by—not guesses.

As I pointed out awhile ago, in order to get the most recent report—as of May 31—it was necessary for the Department to consult and obtain information from more than 3,000 PMA offices and approximately 12,000 banks throughout the Nation, so as to be able to work up the details and the accurate figures, and prepare a report such as the one of April 30, 1950.

However, I am advised that there is some trend; of course there is; that is to say, times are a little bit better. There is no question about that. However, when we stop and reflect on the vast amount of wheat, corn, cotton, and other commodities on hand of course we realize that a break can come at any time and change the picture.

Mr. WILLIAMS. Mr. President will the Senator yield for a question?

Mr. ELLENDER. In a moment.

Let me point out to the Senate that before any of the new crop of wheat is harvested it is estimated that there will be a carry-over of wheat alone of 430,000,000 bushels as of July 1, 1950. It also is estimated that there will be a carry-over of corn as of October 1 in excess of 900,000,000 bushels; of cotton, 7,500,000 bales. That is the anticipated situation, before any 1950 crops of cotton, corn, or wheat is harvested.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Does not the Senator think, though, that it is rather unusual for the president or directors of a corporation to ask for \$2,000,000,000 when at the same time they in effect say, "We have no idea whether in money we have been running ahead or behind for the last 30 days; we do not even know what is happening in our own business"?

Mr. ELLENDER. No, I do not think it unusual. The Congress of the United States has supplied the yardstick to be followed by the Commodity Credit Corporation with respect to protecting farm prices in the case of wheat, corn, and other commodities.

Mr. WILLIAMS. But surely the corporation should know what they have been doing with the money available to them.

Mr. ELLENDER. The fact is that while a few hundred million bushels less wheat may be harvested the present Congress also may not appropriate as much as was anticipated for ECA, which buys wheat, cotton, and other commodities. These and many other factors can change the picture overnight.

Let me point out, as I shall show my distinguished friend, as I proceed with my statement—in the near future—

Mr. WILLIAMS. Might I say I am not talking about the future; I am talking about the past. What have they been doing with the money they already have.

Mr. ELLENDER. Just a moment. I shall answer any question the Senator desires to ask, but I want permission at least to answer the questions the Senators has already asked before he propounds others.

Mr. WILLIAMS. I was endeavoring to set the Senator straight on the question I was asking, which dealt with their transactions for the month of May. Nothing in the future would affect what happened in May.

Mr. ELLENDER. I have already answered the Senator with respect to the month of May, and have nothing further to say on that point. If the Senator has anything to add on the subject, he may do so in his own time.

Mr. WILLIAMS. I have nothing to add. I have been unable to find out. I have been unable to find anyone in the Department who knows anything about transactions in that month. They have said they have not the slightest idea what happened in the month of May. Perhaps they are afraid to tell us while this legislation is pending.

Mr. ELLENDER. The Senator may draw his own conclusions, I presume, from the reports of February, March, and April, which are all before him. There may be a slight increase in net statutory borrowing authority when the report of May 31 comes out. But let me point out to the Senator that this is merely the authorization to borrow an additional \$2,000,000,000. It is a sum which is asked by the Commodity Credit Corporation, in order that it may be in a position to comply with the laws which we, in Congress, have enacted, in order to help the farmer.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. I agree with the Senator from Louisiana that we have got to give them the money with which to carry out the law. But what I am trying to find out is, Do they need it? It seems to me that somebody in the Corporation could give us the trend as to



how they are running for the month of May. It has been 6 weeks since the last report was printed, and what I want to know is what happened during the past 6 weeks.

Mr. ELLENDER. It is my considered judgment that it is needed, and that is why I am pleading for it. I continue, now, with my statement, Mr. President.

However, the Department believed it had enough borrowing power left to complete price-support operations on 1949 crops. Corn was the major commodity on which support operations had not been completed. That program was completed as of May 31, 1950, as I was informed.

As to the projected need for additional borrowing power, the Secretary said on March 29 that the Corporation could require as much as \$6,300,000,000 to carry its investment in inventories acquired from 1949 and prior crops and at the same time carry out 1950 price-support operations. It is the firm opinion of the Department that the \$2,000,000,000 additional borrowing power is the minimum amount required to assure the ability of the Corporation to carry out its responsibilities for farm price-support operations with respect to 1950 crops.

Considering all the facts, I think \$2,000,000,000 is a conservative amount to be added to the CCC's borrowing power. In the first place, no one can estimate with reasonable accuracy what could happen with respect to crops now growing and which have not yet been harvested. Acreage planted, weather and other elements influencing yields, and domestic and foreign demand and other factors influencing prices cannot be predicted within close margins. All these factors will affect the amount of funds actually needed by the Corporation in carrying out 1950 crop-price-support operations. Many of these same factors will, of course, determine how much of inventories from 1949 and prior crops the Corporation can sell and how much it will realize on them.

Secondly, the borrowing power of the Corporation is, as I have said, simply an authorization. The Congress determines how that authorization shall be used. It does this by prescribing in the statutes the price-support program to be carried out, and by its annual review of a detailed budget submitted to the Congress by the Corporation. Further, the Congress is kept fully advised of operations actually carried out and the cost of those operations. This is done by the Department itself, through monthly detailed reports, and by the Secretary of the Treasury in his annual report of his appraisal of the assets and liabilities of the Corporation as required by law. Thus, it seems obvious that the use of borrowing power by the Corporation is dependent almost entirely on the expressed desires of the Congress.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. The Senator speaks of the \$2,000,000,000 as an authorization,

To a certain extent, that is true. But the Senator will agree with me, will he not, that it is different from ordinary authorizations, in that, after we once pass this bill, the Commodity Credit Corporation will not have to come back to Congress for an appropriation, but can get the \$2,000,000,000 direct from the Treasury without further consent from the Congress. Is that not true?

Mr. ELLENDER. Of course, it can use it only for the purposes specified by the Congress and in carrying out annual budget programs submitted to and approved by the Congress.

Mr. WILLIAMS. That is true. But it is different from ordinary authorizations, in that the CCC can get the money, without seeking further authority from Congress; is that not true?

Mr. ELLENDER. Certainly. But it is to carry out the program the Congress has approved. I do not know whether he voted for it or not; I did. But this money is to be used to carry out the dictates of the Congress. It is going to be used for that purpose and for nothing else.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. The Senator is perfectly correct about that. But what I was pointing out is that so far as Congress is concerned, this might well be an appropriation. When we authorize it, we are done with it; the Corporation can spend all the money without coming back again.

Mr. ELLENDER. No; they cannot spend it all.

Mr. WILLIAMS. That is, if they need it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. They must comply with the laws passed by the Congress.

Mr. WILLIAMS. Mr. President, I understand that. But if in the opinion of the directors of the Corporation, or the Secretary of Agriculture, the \$2,000,000,000 is needed, they can go ahead and use every dollar of it without coming back to the Congress for further consent; is that not true?

Mr. ELLENDER. Certainly, except for the limitations which I have mentioned.

Mr. WILLIAMS. But it is different from an ordinary authorization.

Mr. ELLENDER. Certainly they can do that, but they must follow the dictates of the Congress.

A third and, I believe, a highly important reason that a minimum of \$2,000,000,000 of additional borrowing power should be granted the Corporation is that a reserve in borrowing authority should at all times be available. It is just as necessary that the CCC have reserve resources to meet unexpected demands as it is for a bank or an insurance company. It is particularly important in the case of the CCC because of the impossibility of predicting what the next year, or even the next month, will bring in agriculture. Farmers must have confidence in the ability of the Corporation to meet the commitments of the Government for price support. There

must be no doubts in their minds which might cause them to rush to get their crops under price support before the next fellow for fear the money will run out. If this were to happen, chaos would result, and the whole structure of farm prices could collapse, with disastrous effects. Banks, thousands of which act as lending agencies in making price-support loans to farmers, must have full confidence in the ability of the Corporation to meet its obligations to them. Railroads, warehouses, and all other segments of commercial trade which deal with the Corporation must be certain that the Corporation can pay its bills.

Another major reason for being certain that the CCC has ample resources is that the mere availability of funds to carry out price-support operations when needed may either eliminate the need for actual use of funds or reduce the amount necessary. It is an economic fact that it is much less costly to keep a market from deteriorating than to try to restore a demoralized market. There have been several occasions when the Corporation has announced availability of price support on a particular commodity, and the result has been immediate strengthening of the market price to an extent which made it unnecessary for the Corporation to use any funds. In others the availability of price support has given farmers the confidence and assurance they needed to hold their commodities until later rises in price made it possible for them to sell at above the support price.

I repeat, it appears that the Congress would be somewhat less than realistic if it should have the slightest hesitation about providing \$2,000,000,000 of additional borrowing power to the Commodity Credit Corporation. Also, I urge that there be no further delay in our action. The Department is obligated to announce 1950 crop-price-support programs as far in advance of planting time as may be practicable. This is so farmers will know what to expect, and in providing by law for price support, we have given farmers the right to know. Planting time has passed on most crops, however, and some farmers, in the Southwest, are beginning their harvest. We cannot expect the CCC to commit the Government without having the financial resources to assure its ability to fulfill its obligations.

I should like to state briefly the present position of the CCC with respect to the amount of money invested in commodities, or in loans on commodities. As of March 31, 1950, the Corporation had almost \$2,200,000,000 invested in loans and \$1,800,000,000 in commodity inventories. The total investment in commodity loans and inventories was thus about \$4,000,000,000. Of this total, \$3,000,000,000 was invested in loans on and inventories of wheat, cotton and corn, approximately \$1,000,000,000 in each commodity. Except for tobacco, flaxseed and linseed oil, and dried eggs, there was no other commodity in which the Corporation had as much as \$100,000,000 invested as of March 31. The largest of these three exceptions was \$235,000,000 invested in flaxseed and lin-



seed oil. There were 31 commodities other than wheat, cotton, and corn under the loan or in inventory.

Mr. President, I should like to insert in the RECORD a table showing all the commodities to which I have referred, and others, upon which the Commodity Credit Corporation has either loans or commodities in inventory. For instance, the table shows as of April 30, 1950, with respect to corn, 543,155,000 bushels, valued at \$742,243,000. In inventory, that is, owned by the Corporation, the amount in bushels was a little more than 254,659,000 bushels, valued at \$389,664,000.

In the case of wheat pledged for loans, there were 304,635,000 bushels valued at

\$604,143,000. The quantity in inventory was 127,132,000 bushels valued at \$316,236,000.

As to upland cotton, the number of bales pledged for loans amounted to 2,000,000, valued at \$283,329,000. In inventory there are 3,584,000 bales valued at \$606,849,000. And so on down the line.

I ask unanimous consent to insert at this point in my remarks the table to which I have referred, showing the quantity and value of commodities pledged in connection with outstanding loans.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Quantity and value of commodities pledged for outstanding loans and commodities in price-support inventory as of Apr. 30, 1950*

[All figures in thousands]

Commodity	Unit	Pledged for loans <sup>1</sup>		In inventory	
		Quantity	Value	Quantity	Value
Corn	Bushels	543,155	\$742,343	254,659	\$389,664
Wheat	do	304,635	604,143	127,132	316,236
Cotton, upland	Bales	2,000	283,329	3,584	606,849
Tobacco	Pounds	331,674	132,796	2,716	784
Linseed oil	do			439,496	125,260
Flaxseed	Bushels	9,248	34,467	12,223	77,122
Eggs, dried	Pounds			88,445	108,923
Grain sorghum	Hundredweight	8,495	17,841	36,043	86,586
Beans, dry edible	do	6,973	48,010	4,726	42,128
Barley	Bushels	20,838	22,459	28,874	41,265
Butter	Pounds			98,695	61,323
Milk, dried	do			315,914	40,027
Cottonseed	Tons	6	301	623	33,282
Rosin	Pounds			386,269	29,162
Cats	Bushels	26,636	17,744	10,767	9,523
Wool	Pounds			230	20,552
Soybeans	Bushels	9,285	19,710	37	126
Peanuts	Pounds	81,469	8,044	29,141	3,354
Cheese	do			21,352	7,264
Potatoes, Irish	Hundredweight	8,135	5,677	287	514
Rice	do	1,379	5,925	1	3
Peas, dry edible	do	748	2,297	2	13
Turkeys	Pounds			5,662	2,300
Cottonseed meal	do			48,353	1,766
Turpentine	Gallons			3,759	1,715
Prunes	Pounds			15,274	1,583
Rye	Bushels	796	953	255	333
Cotton, American-Egyptian	Bales	3	721	1	168
Cottonseed oil, refined	Pounds			6,351	888
Raisins	do			5,997	645
Seeds, hay and pasture	do	4,009	481	725	146
Potato starch	do			10,073	617
Cotton linters	do			6,758	575
Seeds, winter cover crop	do			6,149	307
Cottonseed oil, crude	do			450	54
Total			1,947,241		2,011,087

<sup>1</sup> Includes loans approved not fully processed.

Mr. ELLENDER. It has been true over the history of the Corporation since 1933, as now, that approximately 75 percent of the funds used in its price-support operations are used in connection with wheat, cotton, and corn. It is not possible to predict what portion of the total investment in commodities will be lost. It depends on the many different factors affecting prices for agricultural commodities. However, there is considerable assurance that the result will not be unreasonable in the fact that 75 percent of the investment is in three basic storable commodities, namely, cotton, corn, and wheat. We need some reserve of each of these commodities. One bad crop failure could cause the disappearance of all or a substantial part of the quantities in which the CCC now has funds invested. There is always the

prospect facing farmers that they will not be able to produce a normal crop. Furthermore, it is expected that existing mechanisms for control of the production of these basic crops will prevent unmanageable surpluses from occurring.

I have tried to present to the Senate the important facts which should be considered in connection with House bill 6567. I believe it is necessary that \$2,000,000,000 additional borrowing authority be provided the CCC and that it be done without delay. I urge that the Senate support the action of the Committee on Agriculture and Forestry in approving the bill.

I wish to state, Mr. President, that the part of the report dealing with the so-called Thye amendment appears on page 5, and I ask that at this point in my remarks the reasons given by the subcom-

mittee for striking this amendment from the bill be incorporated in the RECORD as a part of my remarks.

There being no objection, the excerpt from the report (No. 1375) was ordered to be printed in the RECORD, as follows:

#### UTILIZATION OF PRIVATE TRADE FACILITIES

The extent to which the Commodity Credit Corporation should utilize the usual and customary channels of trade and commerce in its handling of agricultural commodities was investigated thoroughly in the hearings conducted by your subcommittee. The proposed amendment to the bill would direct the Corporation to employ dealers, commission merchants, and the other usual and customary channels, facilities, and arrangements of trade and commerce in the acquisition, warehousing, transporting, processing, handling, and disposition of any agricultural commodity. Department of Agriculture officials testified that such a directive would seriously impair the operation of the farm price-support program by subjecting the Corporation to unreasonable fees and unnecessary expenses, and by loss of operating control in the handling of all Government-owned agricultural commodities.

Representatives of the private grain trade recommended approval of the amendment as a solution to problems confronting the industry in its relations with the Federal Government. In general the private trade witnesses urged more, if not complete, utilization of regular facilities and especially emphasized the hardships imposed on them by the present bypassing of certain segments of the private trade. Three specific complaints were:

1. That the Commodity Credit Corporation has failed to make prompt financial settlements for services rendered by country elevators in the handling and shipment of grain owned by the Commodity Credit Corporation from the local area where it is produced to the grain terminals. Delays of payments for many months were frequent during the 1949 operation.

2. That the Corporation has failed to advise within a reasonable time country elevators of down grading and shortages in weight of shipments of Government-owned grain as reported by inspectors at the terminal markets. As a result of this delay the country elevators were often deprived of their right to call for a recheck or appeal and their liability for the value of the shortage was continued.

3. That the Corporation has failed to utilize the services of commission merchants, which, the trade representatives asserted, would correct to a great extent the problems cited above.

The bone of contention of the commission merchants is that they should be employed by the Commodity Credit Corporation in the handling of any movement of grain from the country elevators to the grain terminals, irrespective of whether or not the grain is actually sold. On the other hand, the Corporation contends that this service should be performed at the expense of the country elevators, for the reason that the Corporation already pays a fee to the country elevators for all necessary services; that, therefore, the employment of commission merchants would simply benefit the country elevators and would incur an added expense to the operations of the Commodity Credit Corporation. The country elevator operators contend that they are unable to employ and pay commission merchants out of the fees paid them by the Corporation.

Evidence presented to the subcommittee indicates that the complaints regarding the



long delay in financial settlements and advisement on the status of shipments are justified. At the same time, your subcommittee recognizes that surplus production in 1949 and the necessary use of new personnel to handle the tremendously increased volume of the farm price-support program have contributed to the failure of the Corporation to operate the program as efficiently as might be expected. Yet these problems must be overcome if the price-support program is to be handled effectively and economically.

Your subcommittee, in recommending deletion of the section requiring complete utilization of private-trade facilities, does not intend by that action that no change be effected in the handling of grains acquired under the price-support program. Instead your subcommittee is convinced that more efficient operation is necessary. The problem should be solved through administrative action on the part of the Corporation and through negotiation with the private agencies concerned, rather than by detailed legislative direction in the law. The intent of the Congress that the Corporation should utilize private-trade facilities wherever possible could hardly be stated more plainly than as now written in the present charter of the Corporation. Yet the decision as to the details of such utilization should be made by the Corporation in the course of its administration of the program.

The country elevator operator, acting as an agent for the Corporation, has undoubtedly experienced financial hardships in the past through delays in payment of accounts and lack of information on shipments. Grain-trade representatives recommended the use of commission merchants by the Corporation to meet this problem. Certainly the Corporation is obligated to deal fairly with its agents and a method must be found whereby the interests of the private operator are protected. While compulsory utilization of trade facilities as directed by the amendment in question offers a possible solution to this problem, your subcommittee believes that satisfactory arrangements can be formulated through negotiation between the Corporation and the private trade. It is this latter procedure that your subcommittee recommends at present rather than the adoption of a mandatory program as contemplated by the proposed amendment.

The greatly increased volume of farm price-support operations has already been noted. Present crop production in the United States and general economic conditions indicate that such a trend will continue. In addition, prospective reduction in agricultural exports comprise a serious threat to the welfare of our farmers. These problems must be solved quickly and effectively if the price-support program is to serve its purpose. Your subcommittee believes it will require the combined efforts of public administrators and private traders to meet the challenge and that close cooperation between the two groups is of vital importance. If such cooperation does not result, your subcommittee believes legislative reconsideration of the detailed handling of agricultural commodities acquired under price-support operations will be in order.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. AIKEN. I was wondering whether the Senator from Louisiana has any information as to why when Secretary Brannan and Controller Brasfield, of the Commodity Credit Corporation, appeared before the Committee on Agriculture and Forestry last January they were quite insistent that the other obligations

which are listed on page 3 of the report be not charged against the statutory borrowing authority of the Commodity Credit Corporation, whereas they now insist upon listing them as liabilities which should be charged against the statutory borrowing authority of the Commodity Credit Corporation. They now aggregate \$567,000,000.

Mr. ELLENDER. I do not know the reason for it, except that it is an obligation of the Corporation. Why they should have taken a different position, I do not know; but the Senator is familiar with the charges. If he looks at page 3 of the report, at accounts payable, and accrued liabilities—

Mr. AIKEN. I have always insisted they were liabilities which should be charged against the borrowing authority.

Mr. ELLENDER. The Senator is evidently correct.

Mr. AIKEN. The Commodity Credit Corporation for months maintained that such liabilities should not be charged against the borrowing authority, but at this time, when they wish to make it appear that they have very little borrowing authority left—and I am inclined to think that is correct—they insist that they be charged against it. If we read pages 5 and 6 of the hearings on the borrowing power of the Commodity Credit Corporation, it will be found that the Corporation was very insistent that the liabilities referred to be not charged against the borrowing authority, because, as Mr. Brasfield said, they were unrealistic and would be offset by receipts from liquidation.

I am not rising to oppose adequate borrowing power for the Commodity Credit Corporation. However, I think we are justified in insisting that they be consistent in their use of figures, and not use one set of figures to suit their purposes one time and disregard the same set of figures at another time. I am pointing this out to show that only last January and February they insisted that these liabilities were not chargeable against the statutory borrowing authority.

Mr. ELLENDER. I do not know what Secretary Brannan or Mr. Brasfield had in mind. However, I presume one of the reasons why the obligations were not considered obligations against borrowing authority was because they could not be noted day by day, as was the case with borrowings from the Secretary of the Treasury, or other statutory obligations against borrowing authority. The obligations, aggregating \$567,000,000, are obligations which occur in the course of the CCC's operations, I may say, and it is almost impossible for the Department to get the figures for them day by day. I presume that is the reason why they could not be considered in the same category as borrowing from banks and the Treasury.

Let me state to the distinguished Senator from Vermont that according to the statement which I placed in the RECORD, the amount of the other obligations as of April 30, 1950, aggregated a little over three-quarters of a billion dollars. The Senator knows that in many instances some farmers in the Midwest do not

want to borrow. They would rather obtain price support which gives them the right to sell to CCC under purchase agreements. They may not have acceptable facilities to store wheat, although they have it on hand, or they do not want to pay interest on a loan even though they may want price support. Therefore they sign purchase agreements which give them the option to sell to CCC. Much of the three-quarter billion dollars is in that category and is in the nature of a contingent rather than a fixed liability of CCC.

Mr. AIKEN. I should like to point out that using the same method of figuring now which was used in January, it is apparent that the total obligations against the borrowing authority of the Commodity Credit Corporation are just about the same as they were on November 30, because Mr. Brasfield said that the total obligations as of January 30 were \$3,500,000,000. In other words, the other items make up the difference between inventories and loans.

Mr. ELLENDER. The Senator realizes, does he not, that the only reason this \$2,000,000,000 is needed is to take care of the 1950 and subsequent crops. We are not concerned now with the past. The Secretary of Agriculture is late in making his announcement of 1950 crop programs. Certainly, the Senator would not want the Department to make an announcement that it was going to do thus and so unless it had money on hand to fulfill the obligations?

Mr. AIKEN. I cannot quite agree with that basis, because the Secretary is supposed to announce the supports whether or not he has cash on hand to pay them, as other Government agencies are required to do.

Mr. ELLENDER. I do not know of any instance where he has done it.

Mr. AIKEN. I can understand his reluctance to do so; nevertheless, it is in the law.

Mr. ELLENDER. How can he carry them out? Suppose he did not have \$2,000,000,000, and Congress refused to appropriate it?

Mr. AIKEN. If he announced supports and Congress did not provide the money for them, Congress would have to accept the blame for the payments not being made.

Mr. ELLENDER. Does the Senator suggest that that would help the farmers?

Mr. AIKEN. That would not help them one bit. However, that is one of the risks involved in having farmers depend on Congress for their money.

Mr. ELLENDER. We have on the statute books today—and I believe the Senator from Vermont voted for its enactment—a law providing for a support price on the basic crops at 90 percent of parity for 1950 and 80 percent of parity for 1951. The wheat farmers have planted wheat on the assumption that this law would be effective. Cotton farmers have planted cotton on the assumption that this law would be effective. They have done it on the assumption that the money would be provided to carry out those programs.



Mr. AIKEN. The Secretary has fixed acreage allotments on the assumption that the money would be provided, but he has failed to announce a support price on the assumption that possibly the money may not be provided.

Mr. ELLENDER. That is why we wish to provide it now.

Mr. AIKEN. We should provide the money to carry out all the agreements and provisions in the law.

Mr. ELLENDER. Certainly. I am glad that the Senator takes that position.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Mr. President, I should like to say to the Senator from Louisiana that I think one reason why some of us might be somewhat critical of the Secretary of Agriculture is that he has not told us what the status of the Commodity Credit Corporation fund is at the present time.

Mr. ELLENDER. May I inquire of the Senator whether he has inquired recently?

Mr. THYE. I could perhaps speak in support of the Senator from Delaware [Mr. WILLIAMS] and also in support of the Senator from Vermont [Mr. AIKEN]. I personally have not sought the information. I have gone on my own personal reaction and experience. I have been through the Midwest. I went through there last week. One cannot drive through the countryside without seeing what is taking place. When one sees empty corn cribs and a pile of corn cobs, he knows that the farmers have shelled their corn. When the cash price is around \$1.30 on the farm, it follows that farmers are going to empty their cribs and sell the corn for cash, because feeders are looking for corn throughout the entire Midwest. Therefore I would say to the Senator from Louisiana that the criticism that may be leveled against the Department of Agriculture is that when they were asked what the status of the fund is as of today they did not say frankly and honestly that they could not give out an exact figure.

Mr. ELLENDER. That is what they told me.

Mr. THYE. I believe the trend is that loans are being paid up. Information which has come to us from the PMA offices shows that loans are being paid up and that the farmers are disposing of the loans themselves.

Mr. ELLENDER. That was the information I received. I asked for it last Friday. I requested it because the Senator from Delaware [Mr. WILLIAMS] had asked me about it when we were supposed to take up the measure last week. I immediately took steps to obtain the latest figures. Accurate figures beyond April 30 could not be obtained.

Mr. THYE. No; accurate figures could not be obtained.

Mr. ELLENDER. They could give the statutory borrowings, but of what value would that be if the other information could not be obtained?

Mr. THYE. Except that the Secretary of Agriculture could have come out frankly and said: "The trend is now for

the farmer to pay up his loans, and we have a greater balance than we had anticipated 6 weeks or 2 months ago, and that balance is much stronger and greater than it was when this particular request came for the increased borrowing authority for the Commodity Credit Corporation." I would say that if he had called the PMA office in Minnesota, or in Illinois, or in Iowa, they could have told him within a matter of a few thousand dollars what they expected the balances and the obligations of the Commodity Credit Corporation in the respective communities to be. It is primarily the 48 States with which the Department is concerned, not the three-thousand-and-some-odd units of counties; and the Department could call up the PMA chairman in any one of the States and get the figures within a few thousand dollars.

Mr. ELLENDER. I am certain that all they could do would be to give an estimate. When it comes to actual figures, they are not able to give them.

When the Secretary of Agriculture appeared before the House Committee on Banking and Currency on March 1 of this year, he estimated that the amount would be at least \$5,300,000,000, and in giving that figure the Secretary pointed out that it was estimated that the Corporation would receive more than a billion and a quarter dollars in price support loan repayments, and more than a billion dollars from the sale of price-support commodities. That has come to pass. In other words, if one will consult the record of the hearings, he will see that the Department of Agriculture predicated its present request on the assumption that \$2,250,000,000 would be returned to the Commodity Credit Corporation treasury by the sale of commodities and by reduction of loans.

Mr. THYE. If the Senator will yield further, I would say that what we are making possible is a revolving fund for the Secretary of Agriculture to use in guaranteeing the local banks when they make loans. In other words, the Secretary of Agriculture underwrites the loans the local banks make.

Mr. ELLENDER. The Senator is correct.

Mr. THYE. It is the local bank that lends the money to the producer.

Mr. ELLENDER. The Senator is correct.

Mr. THYE. It is a revolving fund, and if \$2,000,000,000 is needed, it will be used. The Secretary of Agriculture cannot use one penny beyond what the law authorizes him to lend on a commodity. When a farmer makes an application and a loan is granted, and the produce or commodity goes into storage, or under a warehouse receipt, the Secretary commits the money. I personally am not opposed to this increased authority to the Commodity Credit Corporation, because if it needs the money, it must have it; if it does not need it, it will not use it. The Secretary cannot either squander or expend this money except in the manner Congress enacts as a legal authorization.

Mr. ELLENDER. In other words, I would rather that the CCC have it and

not need it, than to need it and not have it.

Mr. THYE. If the money is needed and the Corporation does not have it, the producer will suffer.

Mr. ELLENDER. Absolutely.

Mr. THYE. And if the Corporation has it and does not need it, the Treasury is not out.

Mr. ELLENDER. The Senator is correct. As I have pointed out, it would require much more money to bolster demoralized markets than to keep the market steady. The effect of this bill will be to maintain a firm market. I repeat, this is like money advanced as a reserve for a bank to lend to those who do business with it. The Commodity Credit Corporation cannot lend a penny of the money nor can it dispose of a penny of it, except under laws passed by the Congress.

Mr. THYE. I believe, however, that if the Secretary had been as frank in his explanation to those who sought information as to the present situation, as he tried to point out when he pointed a black and gloomy picture a year or 6 months ago, Congress might be better informed. Six months ago, and even a year ago, the Secretary was predicting with every utterance that no doubt he would have to support pork prices, and he would not announce a support of pork at the expiration of his last announcement, which was March 30, because he did not have money. When the support went off pork as of April 1, pork commenced to rise, and fortunately it went to a level of \$4 a hundred higher than the support price at the time of the last announcement.

Mr. ELLENDER. Probably because of the mistake he made in the past the Secretary does not want to take a chance in predicting for the future.

Mr. THYE. The Senator will admit he made a mistake as to pork.

Mr. ELLENDER. I understand what the Senator has in mind. The Secretary was frank in his statement. He did not try to hide the facts. But he made a mistake. I do not know what is in his mind, but it may be that because of the mistake he made in the past he does not want to paint too gloomy a picture for the future. As I said a moment ago, it would take only a small downward swing in the price of cotton, wheat, and other basics to make necessary the utilization of most of the money we are now authorizing. I am sure the Senator recognizes that to be true.

Mr. THYE. The Senator is entirely correct. That is why I announced to the Senator from Louisiana that I would support this proposal for an increase of \$2,000,000,000, because if it is not used, not one penny will be drawn from the Treasury.

Mr. ELLENDER. The Senator is correct.

Mr. THYE. If it is needed and is not available, it will be like having a room without a roof over it; when it rains, it is just too bad.

Mr. ELLENDER. The Senator heard me give the figures of the anticipated carry-over of wheat and corn. The ex-



pected carry-over of corn is 9,000,000,000 bushels on October 1, and of wheat 430,000,000 bushels on July 1. That is something to contemplate.

Mr. THYE. Mr. President, if the Senator will yield further, I would say that the carry-over of wheat may be a blessing before the season is over. Much of the Northwest is still under water, and conditions are unfavorable and have been unfavorable for the planting of wheat. The Southwest crop is falling away short of what the anticipation was last fall when the acreage reduction program was instigated. That illustrates why we have a farm program. Farmers do not know what their harvest is going to be at the planting season, and if they were to curtail their production to the minimum of their needs, there might be a famine any year, or when there is a surplus, if there is not a farm program, the farmer stands to lose, because the price is going so low that his costs, to say nothing of his investments, are not returned to him. For that reason we have a farm program, and for that reason we need sufficient sums of money to carry on the program in its entirety if the needs appear. If the needs do not appear, the money will not be used.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. If the Senator will permit me to make it clear, I did not ask the Commodity Credit Corporation this morning for dollars and cents figures as to the trend of liquidations and loans. I did inquire of high officials of the Commodity Credit Corporation as to what the trend of loans and liquidations was during the month of May, and was told that there was not enough information available on which to hazard a guess. That statement was absolutely ridiculous, because if those men could not hazard a guess as to the trend in May, they have no business being in the employ of the Government. Of course, they knew, and yet they thought that Members of Congress and members of the Committee on Agriculture and Forestry should not know what the trend was during the month of May. I will have to admit that their attitude raised the question in my mind that perhaps they do not need this \$2,000,000,000, and were afraid that if they told the truth they would not get it. Perhaps by tomorrow, or whenever this bill is voted upon, they may reconsider and tell us what the trend is. I certainly have had no inclination to block any appropriation or any authorization which might be necessary to carry out the provisions of law, but when they say they do not have any information on which to hazard a guess as to how the trend of loans and liquidations and repayments has been during May, they are just telling me something I do not believe.

Mr. ELLENDER. I would say that I have no difficulty in getting all the information I desire.

Mr. AIKEN. Will the Senator from Louisiana ask the Commodity Credit Corporation what the trend of loans and liquidations and repayments has been

during the month of May, and see what he gets?

Mr. ELLENDER. I am sure the answer would be that there has not been a significant increase in statutory borrowing power. It is all in accord with the views expressed by the Secretary of Agriculture on March 1 before the House committee. He said the actual amount that would be used would be \$5,300,000,000. He said that loans would be repaid in the amount of \$2,250,000,000. What is happening now was anticipated by the Secretary last March. I am told that the repayments and sales are approximately what they had been figured to be last month.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. The Senator from Louisiana will agree with me, will he not, that much has happened in the field of agriculture since the bill was presented in January?

Mr. ELLENDER. I will state in answer to the Senator's question—

Mr. WILLIAMS. Let me finish my question.

Mr. ELLENDER. I would like to complete my answer.

Mr. WILLIAMS. Very well.

Mr. ELLENDER. The bill was introduced in January, but it remained before our committee until almost April. So we have had the most recent hearings that could be obtained. At the request of the Senator from Delaware, I obtained the last available figures, which I have placed in the RECORD. Those figures are as of April 30, 1950.

Mr. WILLIAMS. Will the Senator now yield to me so I may ask my question?

Mr. ELLENDER. Yes, I yield for a question.

Mr. WILLIAMS. What I wanted to ask the Senator from Louisiana was this: Does not the Senator agree with me that a great deal has happened in the field of agriculture since the bill was presented in January? Since January the Department has reduced its estimate of wheat 200,000,000 bushels downward, which will eliminate the necessity, not only of the Corporation taking into account those 200,000,000 bushels, but it has raised the price, so there will be liquidations of loans instead of new borrowings.

I think it is perfectly proper for us to ask the Department of Agriculture now what the trend was during the month of May. I agree with the Senator from Louisiana that perhaps some of the outstanding obligations included in the \$750,000,000 cannot be reported in detail. But with respect to the statutory borrowing authority, surely someone in the Department knows what the trend is. Otherwise, how does the Department know whether \$10,000,000,000 or \$2,000,000,000 have been borrowed? Someone in the Department has charge of the borrowing. He should be able to tell us overnight what the situation is. He should be able to tell us the obligations with respect to purchase loans. If

he cannot, there is poor management in the Department. I think the Senator will agree with me on that point.

Mr. ELLENDER. I can assure the Senator that the Department has given to me the latest available information, which I have placed in the RECORD, and the distinguished Senator from Delaware himself can obtain it.

As to the statutory borrowings, it may be that the distinguished Senator can obtain them from day to day.

Mr. WILLIAMS. I have not been able to obtain them.

Mr. ELLENDER. But it will do him no good unless he can obtain figures covering other obligations, as I previously pointed out, which the Commodity Credit Corporation must meet in the event demand is made upon it.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I think it would do some good to have the figures on statutory borrowings. I have asked for them but have not been able to get them. Not only that but there seems to be some difference of opinion as to whether the Secretary of Agriculture himself feels that these unobligated balances should be included as a part of the statutory borrowing authority. Does the Senator from Louisiana agree with me that they ought to be included under the maximum?

Mr. ELLENDER. Anything the Commodity Credit Corporation is responsible for, that is, a statutory borrowing or a promise of purchase which is made, or any other obligations such as for the payment of rent on a bin or for anything in connection with its operations should be made known to us, of course.

Mr. WILLIAMS. Mr. President, I agree fully with the Senator from Louisiana on that. I think the unobligated balances should be included, but whether they are included or not makes an important difference with respect to the amount of borrowing authority needed by the Corporation. For the sake of making sure that we know what we are doing, would the Senator from Louisiana go along with an amendment to the bill which would spell out that all loans or obligations of any kind or description must be counted in as a part of the borrowing authority?

Mr. ELLENDER. They have done that already. I do not see any necessity of placing such an amendment in the bill.

Mr. WILLIAMS. Why not? The Secretary of Agriculture in his testimony, according to the Senator from Vermont [Mr. AIKEN], took the position that they were not a part of it. Now today, when he is trying to obtain more money, when including them would result in giving him six or seven hundred million dollars more, he says they are a part of it. I think they should be a part of it. But let us clear up that situation, so the Secretary cannot say they are included or excluded as he sees fit. Will the Senator from Louisiana go along with me on such an amendment as I suggested? He has already agreed that the language should be as I have indicated.



Mr. ELLENDER. I am going along with the proposition that both ought to be included in appraising the need for increased borrowing power. It has been the practice in the past to do so. I will point out again that many of the Corporation's obligations are contingent rather than fixed. There is no way of telling whether a farmer in Ohio who has signed a purchase agreement for so many bushels of wheat will avail himself of the right to sell the wheat to CCC.

Mr. WILLIAMS. I agree fully with the Senator on that point; but will the Senator go along with an amendment spelling it out so that we would not have such a situation that the Secretary of Agriculture could change his mind again, as he apparently did in February?

Mr. ELLENDER. I do not see any necessity for it.

Mr. WILLIAMS. Such an amendment will be offered.

Mr. ELLENDER. It is the Senator's privilege to offer it.

Mr. President, before I was interrupted last—and I do not mind interruptions—I had incorporated in the RECORD a part of the report of the subcommittee selected by the chairman to investigate the proposal of utilization of private trade facilities, and as I recall, I had asked unanimous consent to have placed in the RECORD as a part of my remarks all of page 5 of the report and the top of page 6.

The next proposal considered by the committee was the so-called Magnuson amendment. The committee gave serious consideration to that amendment.

The subcommittee, of which I was chairman, instructed me to consult the chairman of the Finance Committee, the chairman of the Foreign Relations Committee and a representative of the State Department to determine whether or not it was possible for us to agree on some language that would be acceptable to all parties concerned. After we received the report from the individuals I have just named, the subcommittee submitted to the full committee a suggested amendment without recommendation. This suggested amendment appears at the bottom of page 6 of the report. I ask unanimous consent that the suggested amendment be incorporated in the RECORD, as a part of my remarks, at this point.

There being no objection, the suggested amendment was ordered to be printed in the RECORD, as follows:

On page 5, strike out lines 19 through 22 and insert in lieu thereof the following:

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if

subject to the escape provisions of such general agreement, be deemed a violation of this subsection."

After a full discussion, the committee did not go along with the suggested amendment because it was felt that it would leave the whole of section 22, which we sought to revise, in about the same category as it now is.

The purpose of the so-called Magnuson amendment was to make section 22 effective. The only way by which section 22 could be made effective would be to revise subparagraph (f) of that section. The Magnuson amendment changes this subparagraph to read as follows:

No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section.

In other words, before any trade agreements could be entered into the President and those in authority would have to take cognizance of section 22 and give it the force and effect the Congress intended it to have.

The law as it now stands provides in section (f) as follows:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

The effect of the Magnuson amendment would be to strike out the language I have just read and insert the language I previously read.

Another change proposed in the present section 22 would be as follows: Under the law as it now stands, the survey must be made by the Tariff Commission, whereas under the proposed amendment the survey must be made by the Department of Agriculture.

Except for the two differences I have just mentioned, section 22 would be about the same as is now provided in the law.

Mr. President, there is nothing further that I desire to add.

Again I urge the Senate to act favorably upon this measure.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. Do I correctly understand that the proposal regarding section 22 of the Agricultural Adjustment Act of 1933, which the Senator has just been discussing, is now reported to the Senate as a whole without any action on the part of the Committee on Agriculture and Forestry?

Mr. ELLENDER. Oh, no. All the members who were present at the committee meeting voted unanimously to have the committee report favorably on the proposed amendment.

Perhaps I did not make myself clear. What I had in mind was that when the subcommittee, of which I was chairman, considered the so-called Magnuson amendment we called in representatives of the State Department, representatives of the Finance Committee, and representatives of the Foreign Relations Committee, and we asked them to consult and to find out whether they could agree

upon a compromise which would be acceptable to all parties affected. They did so, and that suggested amendment appears at the bottom of page 6 of the report.

Mr. LUCAS. Yes.

Mr. ELLENDER. It was that amendment or that suggestion which the subcommittee submitted to the full committee without recommendation.

Mr. LUCAS. But that is not the amendment which was reported by the full committee; it is?

Mr. ELLENDER. Oh, no. So far as the amendment which appears in the printed copy of the bill is concerned, the committee itself as a whole considered it, and there was not a dissenting vote among the members of the committee then present.

Mr. LUCAS. How does the amendment reported by the committee differ from the amendment which was submitted to the full committee by the subcommittee?

Mr. ELLENDER. The amendment submitted by the subcommittee to the full committee would simply write into law the conditions of the general agreement on trade tariffs under which section 22 would be invoked.

Mr. LUCAS. In other words, the amendment reported by the subcommittee to the full committee was in keeping with what the chairman of the Finance Committee wanted and with what the chairman of the Foreign Relations Committee wanted. Is that correct?

Mr. ELLENDER. No; it was in keeping with what the Secretary of State wanted, principally.

Mr. LUCAS. I should like, if I may, to make an observation for the RECORD, in the Senator's time. As a member of the Committee on Agriculture and Forestry, I found it impossible to be present at the committee meeting on the day when the amendment was voted upon.

As I read the amendment, it is directly in the teeth of the reciprocal trade agreements program; and I am satisfied that the Secretary of State and the chairman of the Finance Committee and the chairman of the Foreign Relations Committee—although I cannot speak for them—once they read the amendment, will be opposed to it, because it is entirely different from the amendment submitted by the subcommittee to the full committee, and upon which the full committee more or less agreed.

Mr. ELLENDER. An amendment similar to the Magnuson amendment was adopted by the Senate, as the Senator from Illinois will recall, a few months ago. It was identical.

Mr. LUCAS. To what bill was that amendment proposed?

Mr. AIKEN. To the Anderson bill, which we considered last fall.

Mr. ELLENDER. Yes; to the Anderson bill.

Mr. LUCAS. Yes; but that amendment was thrown out in conference.

Mr. ELLENDER. Yes; it was deleted in conference. However, that amendment was similar to this one.

Mr. LUCAS. That is correct.

Mr. ELLENDER. It was an amendment to make section 22 effective.



Mr. LUCAS. That is correct. At that particular time I voiced my opinion adversely to the amendment, and of course today I take the same position that I took then. Although I assume that probably the amendment would be adopted by the Senate, in view of the fact that the Senate adopted a similar amendment once before, nevertheless I cannot say that as a member of the conference committee I would work very strenuously to have the amendment retained.

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question; otherwise, I would have to yield the floor.

Mr. WILLIAMS. I wish to ask several questions of the Senator from Louisiana.

Mr. ELLENDER. I shall be glad to yield.

Mr. WILLIAMS. However, I understand that the Senator from Minnesota wishes to make a speech.

Mr. THYE. I shall be glad to defer until the Senator from Delaware asks the questions he has in mind.

Mr. WILLIAMS. I wish to propound a question to the Senator from Louisiana. Several weeks ago I appeared before the committee and requested that the audited reports of the Commodity Credit Corporation be submitted prior to the time when the Senate would be asked to vote on this measure. It is my understanding that, thus far, the reports for the Commodity Credit Corporation for the years 1946, 1947, 1948, and 1949 have not been delivered to us. Is that correct?

Mr. ELLENDER. I am not aware whether or not they have been filed by GAO, which is the agency charged with responsibility for making audit reports. CCC, however, issues a financial statement currently each month.

Mr. President, inasmuch as the Senator from Delaware has raised a question concerning the GAO report, I should like to insert in the RECORD at this point a letter addressed to the Honorable ELMER THOMAS, chairman of the Senate Committee on Agriculture and Forestry, and signed by Lindsay Warren, Comptroller General of the United States, and Charles F. Brannan, Secretary of Agriculture, with respect to the subject matter about which the distinguished Senator from Delaware has questioned. I think their letter demonstrates that both the Department of Agriculture and the Comptroller General have done all that it is humanly possible to do in order to shed light on the question at issue.

As will appear in the letter, both the Department of Agriculture and the Comptroller General take the position that nothing will be gained by making an extensive audit to reconcile the accounts of the different Government agencies involved.

In this entire transaction, dating back to 1941, over \$8,000,000,000 worth of commodities were handled. The reports which are attached to or submitted with the letter show what the Secretary of Agriculture thinks should be done and what the Comptroller General thinks should be done.

Mr. President, rather than take the time of the Senate to read these two reports, I ask unanimous consent that they may be incorporated at this point in the RECORD, in connection with my remarks.

Mr. WILLIAMS. Mr. President, reserving the right to object, I wish to ask some further questions before its insertion.

Mr. ELLENDER. I have been trying to be of assistance to the Senator from Delaware in this connection.

Mr. WILLIAMS. I appreciate that.

Mr. ELLENDER. Does the Senator from Delaware have a copy of the letter in his possession?

Mr. WILLIAMS. Yes; I just received a copy of it.

I wish to ask the Senator from Louisiana these questions because this subject has been debated on the floor of the Senate for over a year, from time to time; and I think it is time we settled it.

A year ago the Comptroller General said there was \$366,000,000 for which at that time the Commodity Credit Corporation was unable to account as of the close of the books of the Corporation for the fiscal year 1945.

What years are included in this report today? Does it include the years up to 1949, or does it include only the years 1946 and 1947?

Mr. ELLENDER. As I understand the GAO report, it covers the period up to June 30, 1947.

Mr. WILLIAMS. In other words, the reports for 1948 and 1949 still are not before the Senate. Is that correct?

Mr. ELLENDER. There does not seem to be much question about that. The figures show there were accounting reconciliations not made during 1941 and that there has not been a full reconciliation since that time, as the Senator knows.

Mr. WILLIAMS. There may be no question about 1948 and 1949. But, on the other hand, I do not know that there might not be a question. There is no information and the reports are long past due.

Mr. ELLENDER. The Senator can obtain the information. I do not think anyone is trying to hide anything.

Mr. WILLIAMS. The Senator from Delaware went before the subcommittee of which the Senator from Louisiana was chairman, 4 months ago. I went before the Senate a year and a half ago, and requested that those books be delivered to the Senate. They have never been delivered yet. So the Senator from Delaware has not been able to obtain the information. And this report, if I understand correctly, shows they have not found all of the \$366,000,000, during the past 12 months. They still lack \$96,000,000. Is that correct?

Mr. ELLENDER. Yes. That is what this report shows, and the Senator is well acquainted with it, I am sure.

Mr. WILLIAMS. I glanced over it hurriedly.

Mr. ELLENDER. It reveals the same information as was brought out in the hearings. The Senator was present, I believe, when we had the hearing.

Mr. WILLIAMS. No; I was not present at the hearing.

Mr. ELLENDER. The Senator was present a part of the time.

Mr. WILLIAMS. Does the Senator from Louisiana mean, at the time the Comptroller General testified?

Mr. ELLENDER. Yes; and thereafter.

Mr. WILLIAMS. No. I made the request, and said I should like to be present when the Comptroller General testified, but I was not notified when he came, so I was not there. I did go the next day, and I told the Senator and his committee that I took exception to the whitewash which apparently had been applied, because the impression was given out that all these so-called unverified accounts and irregularities had been explained, and I knew that they had not been found. But now I find in this letter information to the effect that they found all but \$96,000,000. That is still a sizable amount of money, and is far from being fully accounted for as was claimed last March.

Mr. ELLENDER. The Senator will find the explanation in the letter I have offered for the Record as to why further inquiry is unnecessary. Nothing would be gained, I may say, by spending more time and money in an effort to complete an accounting reconciliation.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. In a moment. Let me point out to the Senator with respect to this so-called shortage he mentioned of \$366,000,000—

Mr. WILLIAMS. No; I said \$366,000,000 "unaccounted for." I want to say that the Comptroller General—

Mr. LUCAS. Mr. President, I demand the regular order in this debate.

Mr. WILLIAMS. Mr. President, if I cannot find out what is in the report, I have no alternative than to object to its insertion in the RECORD.

Mr. ELLENDER. This is what the Comptroller General said in the statement to which I have just referred:

The import of the foregoing quotation—

That is just above this—

made with respect to the June 30, 1945, accounts receivable balances, is not that the books were out of balance, or that there was a shortage of funds, or a discrepancy in the accounts in the amount of \$366,643,129. The phrase "could not be supported or verified" is a technical audit term indicating in a concise manner that an effective audit could not be made of the book balance of the account as of June 30, 1945, so as to prove that the balance was substantially correct as stated. The purpose of the entire paragraph was to indicate factors which made an audit impossible.

The Comptroller General in this statement goes on to say why it is impractical and why nothing will be gained by spending more time, more money, and more effort on this report.

Mr. President, am I to understand that the distinguished Senator from Delaware still objects to my placing this in the RECORD?

Mr. WILLIAMS. Mr. President, I may say I had no intention of objecting. I



was merely reserving the right to object until I could ask a question or two. But, if the Senator from Illinois calls for the regular order, we will read it into the RECORD. I should like to ask one or two other questions.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. The Senator from Illinois demanded the regular order merely that we might have some semblance of order in the Senate. The Senator from Louisiana and the Senator from Delaware were asking questions of each other, without going through the regular parliamentary procedure.

The PRESIDING OFFICER. The Chair so understood.

Mr. WILLIAMS. Mr. President, I was merely reserving the right to object.

The PRESIDING OFFICER. Does the Senator from Delaware desire to ask the Senator from Louisiana any further questions?

Mr. WILLIAMS. Yes, I should like to ask other questions.

Mr. ELLENDER. I shall be glad to answer them, if I can.

Mr. WILLIAMS. Is the Senator from Louisiana trying to give the impression, as he puts in this report, that he understands that everything is O. K., and that there is no money possibly which was not accounted for?

Mr. ELLENDER. I am not trying to give any "impression"; I am simply trying to give the facts as found both by the Department of Agriculture and by the Comptroller General with respect to these matters.

Mr. WILLIAMS. The Senator read a part of the statement of the Comptroller General, but if he will read all of his statement, he will find that the Comptroller General plainly stated that, while he did not say there was any money short in the Corporation—which the Senator from Delaware has also said—at the same time, he said he would not say there was not a shortage, nor would he say there was not fraud, because he could not determine whether there was fraud or a shortage, because he said, "the records are gone, we have no books, and we don't know what happened to the \$96,000,000." Is not that the substance of the report?

Mr. ELLENDER. I shall let Senators judge by putting the entire report in the RECORD.

Mr. WILLIAMS. Mr. President, will the Senator yield, that I may read into the RECORD what the Comptroller General said, in full? I think it is very important that we get this in the RECORD at this time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. WILLIAMS. Mr. President, on March 25, 1949, I first advised the Senate that over \$350,000,000 of funds handled by the CCC could not be supported nor verified. Five days later this statement was confirmed by the Comptroller General. On May 26, 1949, 60 days after I first made my statement, and 60 days after the Senator from Illinois [Mr. Lucas] said that if there was any truth

in the statement that this Corporation had a large amount of money unaccounted for, he would be the first to go on the floor of the Senate to see that they rendered an accounting. We find the Senator from New Mexico wrote the Comptroller General, asking certain questions. I want to read the questions. I want to read both the answers and the questions exactly as the Comptroller General replied to the Senator from New Mexico on this subject. The first question asked by the Senator from New Mexico was—and I am quoting from the letter of the Senator from New Mexico to the Comptroller General:

On page 6941 of the CONGRESSIONAL RECORD for Wednesday, May 25, 1949, Senator WILLIAMS, of Delaware, makes the following statement: "Every statement I made on the floor of the Senate on that day was supported by the General Accounting Office." The day referred to is March 25. I assume you have examined that RECORD in which Mr. WILLIAMS charges that a million dollars' worth of barley was shipped to Russia and omitted entirely from the sales, that one duplication of \$2,000,000 of loans could not be reconciled with the records of the Corporation, and that over \$350,000,000 of receivables could not be supported or verified because of faulty accounting policies and poorly devised procedures. Was Senator WILLIAMS correct in stating that you supported everything he said?

The Comptroller General's answer was:

Each statement, as you have just summarized it, is correct.

He went on to say that he was making no interpretations as to any conclusions anyone wanted to draw on this subject.

The next question which the Senator from New Mexico asked the Comptroller General was:

The Senator's statement on May 25 on page 6941 could lead to the assumption that fraud existed in the management of the Corporation. Has your audit of the Commodity Credit Corporation disclosed any fraud? Incidentally, I notice in the audit report that there is no mention of fraud.

Here is the Comptroller General's answer to that question:

The audit of Commodity Credit Corporation has not disclosed that fraud existed, neither has it disclosed that fraud did not exist. That is, the records for the period covered by our audit report in many cases are simply insufficient to tell us or anyone else whether fraud existed or not.

The third question:

You ask whether I subscribe to the following statement evidently made by our auditor in charge at the Commodity Credit Corporation charter hearings a little over a year ago:

"The question of dishonesty is not raised in any point in our report. It is a matter of inefficiency in the accounting set-up and the accumulated errors. It is a matter of accumulation of work getting behind and errors that have been built up over the years rather than dishonesty."

The Senator from New Mexico [Mr. ANDERSON] apparently was quoting some testimony given before a congressional committee. Mr. Warren replied:

I do subscribe to the statement as far as it goes, but I would have to add what I have just said above; that is, the accumulated er-

rors and incompleteness leave it unproven whether fraud could or could not have occurred. However, this is in no way to be taken as any indication that our auditors reported or disclosed fraud.

In other words, out of the original \$366,000,000 unaccounted for we are now told that they have found all but \$96,000,000.

I think the Senator from Louisiana will agree with me on that. If he does not agree with me, say so now, and let us get this record straight.

I asked the question as to what had happened to the \$96,000,000. It seems that everyone is very much concerned that we do not use the words "written off." One of the officials said, "When you say it is written off, it is offensive to the taxpayers. He would prefer that I use the word 'substract.'" I do not know what the difference is. The money is gone.

The Comptroller General goes on to say that it was necessary to subtract that amount in 1947 accounts in order to make the books balance. The claim has been made on the floor of the Senate that a substantial part of this ninety-six million might represent transfers with Government agencies. I disagree with that claim. How does the Senator from Louisiana feel about that?

Mr. ELLENDER. Let me say to the distinguished Senator that I believe the two reports which I am seeking to have incorporated in the RECORD speak for themselves.

Mr. WILLIAMS. Has the Senator read them?

Mr. ELLENDER. Yes. One is from the Comptroller General and one is from the Department of Agriculture. This is the way the Comptroller General concludes his report:

Since May 2, 1949, various aspects of the situation have been given additional consideration, the Corporation's reports on the liquidation project have been restudied, and discussions have been held with departmental officials. From any practical standpoint the General Accounting Office would not recommend additional investigation of transactions under this wartime program from the standpoint of possible financial benefits to the Government because of:

1. The predominance of transactions with other Government agencies;
2. The procedures followed by the Corporation in its liquidation project as revealed through study and discussions of the Corporation's reports on the project;
3. The efforts by the Corporation to protect the interests of the Government;
4. The competence of the individuals responsible for the project and the fact that they had no connection with the Corporation during the period in which accounting and record-keeping control was lost;
5. The age of many of the transactions (dating back to March 1941) involving possible loss or destruction of records of third parties concerned; and
6. The substantial cost of the extensive additional work that would be required, with no positive indication that the result of the work would be remunerative to the Government.

Mr. LUCAS. Mr. President, will the Senator yield there?

Mr. ELLENDER. I yield.

Mr. LUCAS. Further to fortify what the Senator said, I think it is worth while



to read into the RECORD the general summary, a part of which the Senator failed to read, which is as follows:

The wartime supply program of the Commodity Credit Corporation, known as the General Commodities Purchase Program—

Mr. WILLIAMS. Will the Senator state from what he is reading?

Mr. LUCAS. I am reading from page 135 of the hearings of the Committee on Agriculture and Forestry.

Mr. WILLIAMS. Whose testimony is it?

Mr. LUCAS. This is a report of the General Accounting Office.

Mr. WILLIAMS. I thank the Senator.

Mr. LUCAS. Mr. President, I continue reading:

After the activity started to expand rapidly, sufficient manpower and machines were never available for the record-keeping to be current throughout the entire life of the program which ended with completion of its liquidation as of June 30, 1947. The tremendous accumulation of backlogs resulting from the many handicaps of wartime operations resulted in the record-keeping being unsatisfactory. When it became possible at the end of the war period to recruit sufficient and qualified personnel and to obtain accounting machines, every effort was made to liquidate the program in a manner which would fully protect the interests of the Government. The job was done in the shortest possible period of time and at minimum cost. In so doing, some of the transfers of commodities to Government agencies were not reviewed for the purpose of making bookkeeping adjustments. Until the liquidation was accomplished, the records were not in such shape that the GAO auditors could be expected to make a satisfactory audit. Similarly, because of the tremendous size of the operation, and the span of years over which it was carried out, and the extent to which practical considerations affected the method of liquidation, it is obvious that there were serious practical limitations on the extent to which an audit of the whole program could be made by the GAO. The deficiencies in record-keeping, although serious should not be permitted to obscure the over-all job which was done. The net financial results of the program to the Commodity Credit Corporation, after all adjustments were made, was a net gain of approximately \$187,000,000 (at December 31, 1949).

Mr. President, if I may make one further observation, the situation was such that it was absolutely impracticable and impossible to do the job with the ordinary accountants and auditors such as is done on books which have been regularly kept from day to day. The reason it could not be done was because of the limitation of manpower and the tremendous amount of work which had to be done on transactions involving this country with other nations throughout the world, as the Senator well knows.

Mr. ELLENDER. During the war.

Mr. LUCAS. During wartime. The GAO definitely states that insofar as its audit was concerned, there was no dishonesty in the transactions, and, so far as it could find, there was no fraud. Obviously, so far as the amounts they cannot find are concerned, they cannot make any observations as to whether there was fraud or whether there was not fraud.

It seems to me, Mr. President, we are wasting time in debate upon this matter. It has been going on for a long time, and

we should arrive at a conclusion on it. Irrespective of what anyone may think about the loss of the money, the GAO tells us definitely and positively that there is no way in which any auditors in this country can trace the amount of money lost in the transactions. No investigating committee can do it. If the GAO cannot find it, certainly no one else can. It would require years of work, and then the same conclusion would be reached as that which has been arrived at by the GAO.

Mr. ELLENDER. The reasons assigned by the GAO are certainly plausible.

Mr. LUCAS. The Senator is, of course, correct. No one can take serious issue with the reasons assigned.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I am not disagreeing entirely with what the Senator from Illinois has said. It is true the GAO has never said there was fraud, but each time it has also pointed out that there may be fraud. The reason it is uncertain is that the records are gone. Perhaps nothing can be gained by rehashing it. So far as I am concerned, I should like to settle the matter today as we are debating the bill, but I do not want it settled by leaving the impression that everything has been accounted for, because that is not the fact. I am determined this is not going to be a white-wash.

Mr. ELLENDER. The documents which I am asking to be placed in the RECORD show it—

Mr. WILLIAMS. All but the \$96,000,000. As to that remaining amount, the Comptroller General thinks, in view of the fact that there are no records, that it would cost more to reconstruct the records, perhaps, than could be got out of it, but that is a very poor excuse. I feel confident that had these books been submitted to Congress as required by law we could have reconstructed many of these accounts. There is no justification for such loose accounting methods existing in any Government corporation.

Mr. ELLENDER. The report speaks for itself.

Mr. WILLIAMS. I should add the Comptroller General has not indicated that he has found out where the money has gone, or that he is satisfied with the type of bookkeeping that has been had. I will discuss this further later.

Mr. ELLENDER. The report speaks for itself.

The PRESIDING OFFICER. Is there objection to the insertions in the RECORD?

Mr. WILLIAMS. I have no objection.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 30, 1950.  
HON. ELMER THOMAS,  
United States Senate.

DEAR SENATOR THOMAS: There are submitted herewith statements prepared by the Department of Agriculture and the General Accounting Office relative to the item of \$366,000,000 referred to in the 1945 audit report on the Commodity Credit Corporation. Because of the interest shown in this item from time to time over the past year, we are join-

ing in this effort to clearly bring out the facts of the situation. We believe that Congress and the public are entitled to such facts.

As you know, the matter under discussion arose under a wartime operation of great magnitude and needs to be viewed in the light of conditions then existing in order to gain a clear perspective of the undertaking. It is recognized that the presentation of a matter of this character in an audit report has certain limitations. Accordingly we believe it will be helpful to the Congress for us to submit this résumé which tells the whole story at one time, along with the necessary background material which is essential to a complete understanding.

While these statements are being submitted at the same time, each has been prepared independently of the other. In this way the respective views and conclusions of each agency are set forth for your concurrent consideration.

Respectfully submitted.

LINDSAY WARREN,  
Comptroller General of the United States.  
CHARLES F. BRANNAN,  
Secretary of Agriculture.

UNITED STATES DEPARTMENT OF AGRICULTURE—  
STATEMENT CONCERNING COMMODITY CREDIT  
CORPORATION ACTIVITIES UNDER THE WAR-  
TIME SUPPLY PROGRAM, WITH PARTICULAR  
REFERENCE TO RECORD-KEEPING PROBLEMS

(Submitted as an attachment to a joint letter from the Comptroller General of the United States and the Secretary of Agriculture to the chairman of the Senate Committee on Agriculture and Forestry.)

NATURE AND PURPOSE OF THE WARTIME SUPPLY  
PROGRAM

Origin of the program: Early in March 1941, it became apparent that the Department of Agriculture would have the responsibility for locating and supplying food to friendly countries whose supplies had been seriously depleted by the European war. The Lend-Lease Act was being considered, and it was recognized that it would be necessary for the United States to supply friendly countries with needed food.

Accordingly, on March 12, 1941, the President of the United States approved a procurement program which became the wartime supply program (known as the general commodities purchase program). Funds of the Commodity Credit Corporation (CCC) were to be used in making such purchases. The program was to be carried out by the Federal Surplus Commodities Corporation as agent of the CCC. This arrangement was decided upon in order to minimize expense, to avoid duplication of governmental agencies, and to permit the coordination of purchases under this program with other purchase and disposal operations of the Department.

Program expanded rapidly: Shipments of large quantities of food began immediately after the Lend-Lease Act was approved. As lend-lease requirements increased and the United States entered the war, the volume of commodities handled grew to unheard of proportions. The program was expanded time after time to meet the vast needs of our allies for food and other agricultural commodities, as well as the needs of the armed services of the United States.

The task was great: Food was a vital weapon of war, and this program was a major factor in the fullest use of that weapon. The size of the job is indicated by the quantity of commodities bought, shipped, and delivered for export; it increased from a small volume in 1941 to approximately 6,000,000,000 pounds in the year ended June 30, 1942, 10,000,000,000 pounds in 1943, 13,000,000,000 pounds in 1944, and 10,000,000,000 in 1945. An additional 6,500,000,000 pounds were delivered in 1946 when the UNRRA and other



postwar relief programs were in operation. The dollar volume totaled approximately \$8,000,000,000 over the period of operation of the program and it is estimated that about 1,600,000 carloads of commodities were moved to ports. This would represent approximately 14 solid freight trains each reaching from Chicago to New York City.

General method of operation: Operations included not only the initial procurement of hundreds of different agricultural commodities and products thereof, but also all the storage, processing, packaging, and shipping necessary to get the commodities aboard ship and on their way overseas. Purchases were made in the marketing or flush production seasons where possible, and the commodities were stored to meet needs during slack production seasons. This stabilized supplies and benefited farm income. Processing and packaging were frequently necessary to put the commodities in form to be used on arrival overseas. Shipment had to be arranged from origin to warehouse and to port. Where processing was required, additional movements were involved.

The major emphasis of the program was to get the food overseas where it was needed, and in the form required without delay.

Wartime operating problems: The tremendous growth in the activity and the required speed of operations, combined with wartime difficulties, prevented the Corporation from performing the related paper work on a current and satisfactory basis.

1. Inadequate staff: From the time this country entered the war the Department constantly lost personnel to the armed services and to other war agencies. Sufficient personnel, particularly key people, could not be retained or recruited to do the paper work currently and at the same time handle the actual procurement, storage, processing, and shipping work necessary to get the food overseas where it was needed in the war.

2. Lack of space and equipment: Sufficient office space was not available in Washington and a large part of the accounting group had to be moved to New York, resulting in a further loss of personnel. Office equipment, such as bookkeeping and accounting machines, were not available in quantities necessary to do the mammoth job.

3. Organization changes necessary: It was necessary to reorganize major parts of the Department several times during the war period in order for it to best carry out its over-all responsibilities for the food production and distribution system on an "all out" basis.

4. Expansion required accounting changes: The original system of records and accounts could not be adjusted to the expanded volume of the program, and a change-over had to be made after it broke down and during the period of peak activity.

5. Other difficulties: Along with these insurmountable handicaps to current record keeping, the wartime shortage of rail and ocean shipping facilities required many re-routing and diversions as well as many movements of commodities from one location to another. These additional movements added greatly to the work load and created many problems. Inexperienced personnel of venders, carriers, and warehousemen added to the record-keeping difficulties.

All in all, the problems posed by the nature of the program, its rapid expansion and gigantic size, the necessary speed with which operations were conducted, the wartime shortages of personnel, lack of office space and equipment, the necessity for changing the system of record-keeping, and the complications of wartime procurement and shipping made it impossible to keep the paper work on a current basis.

There follows a summary of the operating problems and progress made in overcoming them in each fiscal year beginning with the year ended June 30, 1945.

#### YEAR ENDED JUNE 30, 1945

Situation: During 1945, peak shipments of food to Europe were still in progress. The central accounting office for the program in New York was sorely undermanned, and sufficient accounting machines were not available to make any progress on the huge backlog in record-keeping which had accumulated almost from the beginning of the program. Backlogs were still growing each month.

Problems recognized: Shortly prior to June 30, 1945, the war food investigation conducted by the House Committee on Appropriations high-lighted a number of serious problems, such as the overstatement of accounts receivable resulting from unrealistic pricing of sales on commodities. At the request of the Corporation, a physical inventory was taken by the GAO at March 31, which indicated thousands of differences between inventory records and the physical inventory. Substantial manpower was devoted to tracing down these differences. The major portion subsequently turned out to be cases where shipping or delivery documents had not been received or, if received, had not been recorded. Other similar situations were known to exist, but there was no personnel available to assign to straightening them out.

The books were kept open until late in 1945 with the hope that with the use of borrowed equipment and assistance obtained from other Government agencies, real progress could be made in overcoming some of the backlog in the posting of records. Little was accomplished by these efforts because enough qualified people could not be obtained to plan and supervise the work. Most of such work later had to be done over again when adequate supervision was available.

In order to comply with reporting regulations, financial reports were prepared even though the books were not up to date. Lists of debtors and creditors could not be prepared until backlogs were eliminated.

Information for the auditors: Because of the backlogs, the GAO auditors were informed that data which they would normally expect to receive could not be furnished until such time as the records had been brought up to date, and that many adjustments would be required to properly state the accounts. Among such data which could not be furnished were lists of individual debtors and creditors. This situation existed, not only because of the backlogs, but because of the accumulation of errors made by untrained and overworked personnel over a period of years, working under an inadequate number of supervisors. (See GAO statement.)

#### YEAR ENDED JUNE 30, 1946

Activity during the year: There was some let-up in activity during the fiscal year ended June 30, 1946, but tremendous quantities of food were shipped. This activity took place under the same general conditions, methods, and procedures in effect during earlier years. Backlogs therefore continued to accumulate.

Plans for remedial action: By mid-1945 it was apparent to all concerned that drastic action was needed. It was also recognized that before any real improvements could be accomplished additional accountants, other technicians, and supervisors were essential, as well as additional clerical personnel and accounting machines. Efforts of the Secretary of Agriculture to obtain the release of qualified people from the Armed Services proved to be of little avail. Accordingly, it was not

until members of the armed services were released under the point system that any real start could be made.

In the spring of 1946, it was determined that the wartime supply program should be put in liquidation as of July 1, 1946. This decision was made in order to make possible the operation of a new supply program on a current basis, while the tremendous wartime supply activity was being liquidated. The new staff recruited early in 1946 was split in two groups. One group was assigned to make plans for the cut-over to the new program which was to be carried out more completely by the field offices. The second group was assigned to the job of planning and conducting the liquidation of the wartime supply program. Most of the personnel recruited was new to the organization, and had to become familiar with the problem.

Situation at June 30, 1946: Other than a greater opportunity to record on the books certain transactions normally recorded at the end of a fiscal year, there was no real progress made in solving the basic problem, namely, the inability to bring records to a current condition, because sufficient personnel or adequate supervision were not available until too late in the fiscal year. Known inaccuracies in the accounts still existed, and those which would require significant increases in personnel and machines to correct had not been and could not be corrected at that time.

Information for the auditors: It was possible to develop somewhat more adequate information for the auditors at June 30, 1946, but the individual items comprising the major debtor and creditor accounts still could not be furnished at that time. Further, as the decision had been made to put the wartime program in liquidation at July 1, 1946, it became apparent that no real purpose would be served by later arranging to furnish information to the auditors concerning individual debtors and creditors at June 30, 1945, or June 30, 1946. Rather, it was decided to accomplish the liquidation of the total program as one project. This obviously saved many, many man-hours of work and machine time. This decision to liquidate the entire program as one project appeared particularly advantageous when later in the year the GAO auditors decided to combine their 1946 and 1947 audit reports. (See GAO statement.)

#### YEAR ENDED JUNE 30, 1947

Activity during the year: Although the wartime supply program was placed in liquidation on July 1, 1946, that part of the inventory which was at shipside or in transit to port was necessarily disposed of under the wartime program. The remainder of the inventory plus new purchases was handled under the new program. Due to a shipping strike which took place in the late summer and early fall of 1946, it was almost the end of the year before shipments under the old program were completed. Other activity during the year was that of bringing the records up to date and liquidating the program.

Special efforts to expedite liquidation: In addition to all other available personnel that could be assigned, 175 temporary employees were hired in the spring of 1947 for the specific purpose of expediting the liquidation of the wartime supply program. Arrangements were also made under contract for a commercial organization to perform substantial tabulating-machine operations.

It was the expressed intent of Congress that this liquidation, along with other wartime activities, be concluded as quickly and at as low a cost as possible. It was understood that work undertaken in connection with accounts between Government agen-



cies would be held to an absolute minimum.<sup>1</sup>

**Liquidation project:** A summary of the liquidation plan followed is described below. The GAO auditors were kept fully informed as the plan was developed and carried out.

1. Records were brought up to date. This included the bringing together and posting of documents which had not previously been recorded.

2. Receivables from private individuals, relief organizations, and corporations were examined to determine specific amounts due, if any, on the basis of delivery documents.

3. Receivables from cash-paying foreign governments, Lend-Lease shipments after VJ-day, and UNRRA were examined to determine specific amounts due, if any, on the basis of delivery documents.

4. After the foregoing steps were taken, there remained for consideration the amounts then due from Government agencies other than those named above. Spot-check reviews were made of several thousand of such receivables. This was done to determine whether similar reviews of the many thousands remaining receivables would be productive and whether individual adjustments of any differences found would accomplish any practical purpose. It was substantiated that accounts receivable were overstated in material amounts in many cases because sales were recorded at an estimated sales price different from the invoice price ultimately billed; no adjustment of such differences had been made currently as was originally contemplated by the accounting system. (See earlier reference to findings of War Food Investigation.) Similarly, it was found that use of estimated quantities had resulted in the overstatement of accounts receivable. Thus, it was apparent that the residual balance of accounts receivable reflected millions of dollars as being due which in fact were not owed by other Government agencies. The spot-check reviews also substantiated that, with few exceptions, the invoices as rendered reflected the correct amounts due.

5. After having completed the steps described above, it was concluded that no useful purpose would be served by spending the hundreds of man-years required to review in detail the transfers of commodities to other Government agencies, particularly Lend-Lease prior to VJ-day which comprised more than two-thirds of the total activity. Based on this conclusion, an adjustment was made to reduce accounts receivable to an amount which could be firmly established as then due and which was to be carried forward for collection. The principal element in this adjustment represented the overstatement of accounts receivable represented by the accumulated differences between the amount of sales that had been recorded on the books as opposed to the final amount as shown on the invoice supported by the delivery documents.

<sup>1</sup> In response to questions with respect to the necessity for the reconciliation work being performed in connection with the liquidation of the wartime supply program raised during the hearings on the supplemental appropriation bill for 1948 (before the Subcommittee of the Appropriations Committee, House of Representatives, in Charge of Deficiency Appropriations, on June 23, 1947), the following statement was made:

"Mr. BRASFIELD. I would like to add to the comments given as to the liquidation process in this respect: We have not gone beyond accomplishing two things; that is, to review and reconcile the transactions that affected the Commodity Credit Corporation, which is required by Public Law 151, to be fully reimbursed for its lend-lease activities. The other is to review and check the transactions which we feel are essential to determine that no parties outside the Government have profited by reason of bookkeeping errors in the transfer of lend-lease goods."

This was done prior to the closing of the books as of June 30, 1947, and the adjustment amounted to \$96,440,497. Of the total activity of approximately \$8,000,000,000, 92 percent, or over \$7,000,000,000, represented transactions with Government agencies. As indicated earlier, receivables from private individuals, relief organizations, and corporations, as well as transactions with cash-paying governments, Lend-Lease after VJ-day, and UNRRA, were examined to determine the specific amounts due.

Information for the auditors.—After the adjustment described above had been recorded on the books as of June 30, 1947, the corporation furnished the GAO auditors with lists of the individual debtors and creditors for amounts shown on the books for receivables and payables. The records pertaining to the liquidation project were made available to the GAO auditors. Two reports, one in considerable detail, were made to the GAO auditors covering the liquidation project. (See GAO statement.)

#### ACTIVITY SUBSEQUENT TO LIQUIDATION

Under the decentralized plan of operation then in effect amounts still due were transferred to the books of the appropriate field offices as of June 30, 1947, and these offices continued to pursue collection. Some of these receivables due from private individuals and corporations were subsequently disputed, and some have resulted in litigation. Notwithstanding the adjustment of receivables, later events made it feasible to obtain payment or file claims for certain transfers and sales made prior to June 30, 1947. Receivables established for such items amounted to approximately \$15,000,000 and primarily related to sales to Government agencies.

Some new claims have been filed with the Corporation pertaining to the wartime supply program, and some suits have been filed against the Corporation. For example, one such case involved OPA rulings on price ceilings. Some contracts were renegotiated by the Corporation to recover excess profits. While there have been many individual transactions of one sort or another with vendors and purchasers arising out of the wartime supply program since June 30, 1947, the dollar amounts are relatively small. The Corporation has not relinquished its legal rights in any cases in which the financial interests of the Government may be involved.

#### GENERAL SUMMARY

The wartime supply program of the Commodity Credit Corporation, known as the general commodities purchase program, was begun in 1941. After the activity started to expand rapidly, sufficient manpower and machines were never available for the record keeping to be current throughout the entire life of the program which ended with completion of its liquidation as of June 30, 1947. The tremendous accumulation of backlogs resulting from the many handicaps of wartime operations resulted in the record keeping being unsatisfactory. When it became possible at the end of the war period to recruit sufficient and qualified personnel and to obtain accounting machines every effort was made to liquidate the program in a manner which would fully protect the interests of the Government. The job was done in the shortest possible period of time and at minimum cost. In so doing, some of the transfers of commodities to Government agencies were not reviewed for the purpose of making bookkeeping adjustments. Until the liquidation was accomplished the records were not in such shape that the GAO auditors could be expected to make a satisfactory audit. Similarly, because of the tremendous size of the operation and the span of years over which it was carried out, and the extent to which practical considerations affected the methods of liquidation, it is obvious that there were serious practical limitations on the extent to which an audit of the whole program could

be made by the GAO. The deficiencies in record keeping, although serious, should not be permitted to obscure the over-all job which was done. The net financial results of the program to the Commodity Credit Corporation, after all adjustments were made, was a net gain of approximately \$187,000,000 (at December 31, 1949).

#### GENERAL ACCOUNTING OFFICE—GENERAL ACCOUNTING OFFICE STATEMENT CONCERNING ACCOUNTS RECEIVABLE IN THE GENERAL COMMODITIES PURCHASE PROGRAM OF COMMODITY CREDIT CORPORATION

This statement presents the view of the General Accounting Office with respect to the above subject and accompanies a statement of the United States Department of Agriculture entitled "Statement concerning Commodity Credit Corporation Activities under the Wartime Supply Program, With Particular Reference to Record-keeping Problems." These statements have been prepared for the purpose of informing the Congress of the circumstances surrounding the necessity for the adjustment of the balance of accounts receivable of the general commodities purchase program and the attendant problems both for the Corporation and the GAO.

While these statements are being submitted simultaneously, each agency has presented its statement of its views and opinions independently of the other. In the interest of coordinating information on the situation and conditions that existed from time to time, there are certain references made in one statement to certain parts of the statement of the other agency.

By law, the General Accounting Office has been charged with the duty of making audits of CCC for each fiscal year beginning with 1945 in accordance with the principles and procedures applicable to commercial corporate transactions. Although some preliminary work had been done, the audit by the Corporation Audits Division did not commence until October 1945, several months after the close of the 1945 fiscal year. It soon became apparent that the type of audit of the accounts of Commodity Credit Corporation contemplated under the law could not be made as of June 30, 1945. While it was the conclusion of GAO that the situation could not be remedied even by a material extension of audit procedures, it was incumbent on it to make such an examination as was practicable under the circumstances, and to render a report on its findings.

The General Commodities Purchase Program (GCPP) was the largest single program active at June 30, 1945, and the condition of the records at that date is described in the accompanying statement of the Department of Agriculture under the heading "June 30, 1945, Information for the Auditors." As that statement indicates, good accounting practice requires that the aggregate of receivables due from individual customers should equal the accounts receivable balance shown as due on the general ledger. Even if adequate procedures are installed, large differences can and ordinarily will arise unless adequate supervision of the bookkeeping practices is maintained and the accounts are very carefully watched and accurately handled.

From the inception of the program to June 30, 1945, sales were estimated to have been approximately \$6,500,000,000. Amounts intended to represent these sales were entered as accounts receivable and as collections were made the receivables were correspondingly reduced. The sales entries were made from sources that were in part based on estimates. The resulting balance at June 30, 1945, as shown by the general books, amounted to \$366,643,129. No satisfactory breakdown of this amount by individual customers was available. Neither could any assurance be



gained that all transactions involving sales had been recorded, nor, conversely, that duplicate billings had not been made. The GAO auditors found conditions such that they could not determine whether the \$366,643,129 balance was or was not correct, nor could they be responsible for ascertaining what the correct balance should be, as the latter was the responsibility of the Corporation.

Recognizing these facts, and owing to the further circumstance that the omission of certain bookkeeping procedures resulted in a large number of unadjusted differences, the audit report for the period ended June 30, 1945, stated that "The amount of \$366,643,129 recorded as due from sales made in the General Commodities Purchase program could not be supported nor verified," and continued: "The recorded balances of individual accounts are subject to qualification as a result of faulty application of accounting policies and poorly devised procedures. Amounts recorded as owing from sales made in this program were recorded on the basis of quoted prices on the date of recordation, while the billings to customers were based upon the quoted prices as of the date of delivery. Adjustments frequently were not made. In a number of cases, entries for quantities sold (with associated values) were based upon representations made by the purchaser and could not be supported by documentary evidence." The paragraph quoted above must be considered as a whole in order to obtain an understanding of conditions as they existed at the time the GAO made its examination for that year.

The import of the foregoing quotation, made with respect to the June 30, 1945, accounts receivable balance, is not that the books were out of balance, or that there was a shortage of funds or a discrepancy in the accounts in the amount of \$366,643,129. The phrase "could not be supported nor verified" is a technical audit term indicating in a concise manner that an effective audit could not be made of the book balance of the account as of June 30, 1945, so as to prove that the balance was substantially correct as stated. The purpose of the entire paragraph was to indicate factors which made an audit impossible.

The Corporation was aware of its responsibility in this matter, and in April 1946 began the task of analyzing a portion of the GCPP accounts receivable (later expanded into the so-called liquidation project). The nature of this project was known to and concurred in by the GAO, in view of the very large volume of work and the administrative costs involved, provided that it could be demonstrated that there would be no over-all loss to the Government.

Because the conditions referred to above were, in general, still in existence at June 30, 1946, and the liquidation project was incomplete, the accounts-receivable balance of \$383,909,184 shown on the books at that date likewise could not be audited. By September 1947 the Corporation had completed most of the work on the liquidation project; as the books for the fiscal year ended June 30, 1947, had not yet been closed, the substantial adjustment necessary to correct the accounts-receivable balance was recorded in the accounts for that year.

Before this adjustment the book balance as of June 30, 1947, was \$97,621,567. As a result of the liquidation project, the amount of receivables from individual customers (substantially all from outside the Government) was established at \$1,181,070 as of that date, indicating a difference of \$96,440,497. An adjustment of this amount was made in the accounts, and the general ledger balance of accounts receivable was consequently brought down to the amount of \$1,181,070 established to be collectible, mainly from outside sources; most balances with Government agencies then existing

were not carried forward in the accounts, but were included in the amount of the \$96,440,497 adjustment. The actual amounts of these balances with other Government agencies were not ascertained because of the nature of the liquidation project, nor would such a determination serve any useful purpose; in fact, only additional cost to the Government would have resulted.

Changes in the balance of accounts receivable applicable to the GCP program between June 30, 1945, and June 30, 1947, based on the Corporation's accounting records, are summarized in the following tabulation:

Debit balance, June 30, 1945--	\$366,643,129
Transactions during fiscal year ended June 30, 1946:	
Add charges resulting from sales recorded for the fiscal year 1946-----	963,980,885
Total-----	1,330,624,014
Deduct credits representing for the most part cash collections-----	946,714,830
Balance June 30, 1946--	383,909,184
Transactions during fiscal year ended June 30, 1947:	
Add charges resulting from sales recorded for the fiscal year 1947-----	211,149,236
Total-----	595,058,420
Deduct credits representing for the most part cash collections-----	497,436,853
Balance June 30, 1947, before adjustment----	97,621,567
Deduct adjustment to reduce book balance of accounts receivable to balance as determined by the liquidation project-----	96,440,497
Balance June 30, 1947, after adjustment----	1,181,070

NOTE.—GCPP was put into liquidation during the fiscal year 1947. In this connection see discussion of year ended June 30, 1947 in the statement of the Department of Agriculture.

It should be clearly understood that the amount of the adjustment did not represent individual customers' accounts which were written off as uncollectible, but was the residue remaining after the balance of accounts receivable to be carried forward as of June 30, 1947, had been determined. Because of the manner in which the liquidation project was conducted, as described in the statement of the Department of Agriculture, little, if any, of the \$96,440,497 adjustment could have represented valid amounts due to CCC from outside the Government.

The General Accounting Office was furnished with a breakdown of the balance of \$1,181,070, showing names of customers and amounts owing by each as shown by the corrected accounting records. In order to test the accuracy of this total, it corresponded directly with customers whose open balances comprised about 65 percent of the total. Differences reported were investigated by the internal auditors for the Corporation, who rendered reports following the completion of their investigation. Corrections with respect to these accounts were recorded in the Corporation's books during the fiscal year 1948.

Additional adjustments made by the Corporation during the 1948 and 1949 fiscal years amounted to about \$15,000,000, most of which related to payments received from Government agencies whose accounts had not, under the liquidation project, been retained on the books as of June 30, 1947. The GAO has been informed by the Corporation that

adjustments of GCPP accounts receivable between July 1, 1949, and December 31, 1949, have been negligible. The Corporation has stated that continuing attention is being devoted to the pursuance of claims, some of which are in litigation.

Following public and congressional discussion of the balance of \$366,643,129 of accounts receivable of this program, as shown by the Corporation's books as of June 30, 1945, the Secretary of Agriculture requested an opinion from the Comptroller General as to whether the public interest would be served to an extent commensurate with the expenditure of effort and funds by a further investigation of the item. On May 2, 1949, the Comptroller General replied in part as follows:

"The work entailed the location, examination, recording, regrouping, etc., of hundreds of thousands of invoices, cards, and related documents. Under the circumstances, it did not seem advisable for the Corporation Audits Division to do more than make a general review of the methods employed. Based on this review and discussions and correspondence with the Corporation \* \* \* I feel that no categorical answer can be given to your question. This decision is based on the reported chaotic state of the records, particularly prior to March 1, 1944, the scope of the investigation revealed by the review, discussions, and correspondence mentioned above, the fact that considerable important information was missing from a large number of records of invoices and that certain records could not be located, and on the passage of time. However, it can be definitely stated, now that lend-lease settlements have been arranged, that no purpose would be served by further investigation of the balances due at June 30, 1945, from other governmental agencies."

It was also pointed out in this letter that a review of the Corporation's reports on the liquidation project indicated that a real effort has been made to explore and adjust the more productive items of difference.

Since May 2, 1949, various aspects of the situation have been given additional consideration, the Corporation's reports on the liquidation project have been restudied, and discussions have been held with departmental officials. From any practical standpoint, the General Accounting Office would not recommend additional investigation of transactions under this wartime program from the standpoint of possible financial benefits to the Government because of—

1. The predominance of transactions with other Government agencies.
2. The procedures followed by the Corporation in its liquidation project as revealed through study and discussions of the Corporation's reports on the project.
3. The efforts by the Corporation to protect the interests of the Government.
4. The competence of the individuals responsible for the project and the fact that they had no connection with the Corporation during the period in which accounting and record-keeping control was lost.
5. The age of many of the transactions (dating back to March 1941) involving possible loss or destruction of records of third parties concerned; and
6. The substantial cost of the extensive additional work that would be required, with no positive indication that the result of the work would be remunerative to the Government.

#### PERSONAL STATEMENT

During the delivery of Mr. ELLENDER's speech,

Mr. McCLELLAN. Mr. President, will the Senator yield so that I may make a brief statement?

Mr. ELLENDER. I shall be glad to yield provided I do not lose the floor.



Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of making a brief statement without his losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. I also ask unanimous consent that my remarks may be printed in the RECORD immediately following the address of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, in the June 5 issue of Newsweek, on pages 21 and 22, there appears an article under the heading "Reorganization," with a subtitle, "Bill Benton Blitz." I ask unanimous consent, Mr. President, that this article may be printed in the RECORD in full as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### REORGANIZATION: BILL BENTON BLITZ

The approval that greeted the Hoover Commission plan for Government reorganization was a mighty chorus with voices from every quarter. The first eight proposals were made by the President in 1949 and were approved with but one exception.

By this year, public interest had waned, and vested private interest in stemming one or another plan began asserting itself. The first five plans, voted on earlier this month, were smoothly mowed down. It began to look as if the complex fabric of reorganization would be riddled. Last week, however, the rout was reversed; the foes of reorganization had apparently been stopped and the Hoover proposals successfully took the offensive. Samuel Shaffer of Newsweek's Washington bureau reports on the minor miracle of the week:

Senator WILLIAM BENTON, Connecticut Democrat, is easily the best-dressed Member of the Senate. In his well-tailored pin-striped suits, often decorated with a white carnation, BENTON looks as if he had just finished posing for a man-of-distinction advertisement. He is, however, a man with few illusions about the powers and privileges of freshmen Senators. The most recent Member of the body, he usually refers to himself as "Senator No. 96."

Last week, No. 96 decided it was time to speak out. When he did, he proceeded in ungloved fashion to raise hell with his own leadership, the leadership of the minority party, the Senate in general, ex-President Hoover, and a good portion of the President's Cabinet. To his own astonishment, it paid off.

BENTON could not understand why anyone would want to undercut any reform so essentially nonpartisan as badly needed Government reorganization. Nevertheless, he saw his majority leader, SCOTT LUCAS, vote against reorganization of the Treasury Department; he witnessed his majority whip, FRANCIS MYERS, vote against reorganization of the Interstate Commerce Commission; he watched the entire Senate shout down reorganization of the Agriculture Department.

#### BEHIND THE SCENES

Checking on the reasons for the debacle, BENTON discovered that the President's own Cabinet officers participated in the sabotage. John Snyder, for example, was on record agreeing with the Nation's bankers who opposed Treasury reorganization; Commerce Secretary Sawyer thought so little about his agency's reorganization that he said he would not exercise greater authority over the Patent Office even if it were given him.

In an effort to stem the rout, BENTON, a former ad-agency chief (BENTON & Bowles) experienced at selling, wired ex-President Hoover urging him to speak up loudly. The reply, couched in equivocal language, stunned BENTON. He had yet another shocker to face: A Republican colleague told him that Hoover had actually advised this Senator in a phone conversation to vote against one of the pending programs. (The ex-President apparently disagreed with some of Truman's revisions of the original Commission plans.)

Over the week end, BENTON called former Budget Director, now Army Secretary, Frank Pace, Jr., and the present Budget Director, Frederick Lawton. He upbraided both of them, pointing out that the administration was failing to consult important Senators and giving only lip service to the various plans for streamlining Government.

BENTON also tongue-lashed SCOTT LUCAS. "I'm beginning to wonder," the Senator told him, "whether the administration wants reorganization. What am I to think when even the majority leader votes against some of the plans? It isn't too late, SCOTT. If the President will speak out we may be able to salvage the rest."

Monday morning, May 22, President Truman called Senator McCLELLAN, chairman of the Expenditures Committee which had brought in several resolutions disapproving the reorganization plans. McCLELLAN had denounced several of the proposals as administration "power grabs." Truman asked him to come to the White House right away.

The President turned on the charm. "What's this I hear, John," he said, "about power grabs? I don't want any additional power. I want to get rid of some. That's one reason why I want to see these reorganization plans go through."

"I was sort of carried away in the heat of debate when I spoke of power grabs, Mr. President," McCLELLAN replied with a smile. Back at the Capitol, McCLELLAN told some of his colleagues about the conversation. "You know," he said, "if the President had spoken to me about a month ago, some of the results might have been different."

His behind-the-scenes job done, BENTON delivered a speech on the floor. "If these 21 reorganization proposals had had skilled and determined leadership in the presentation to Congress," he said, "it is my opinion that they could have been put through. \* \* \* The relative absence of veteran and influential congressional leadership unequivocally favoring Government reorganization on either side of the aisle again shows how unappealing and unglamorous this subject is. There is more excitement in Congress over daylight saving time. \* \* \*

"Seemingly authentic reports have come to me that Mr. Hoover has even opposed behind the scenes one or more of the reorganization proposals," BENTON added. "His attitude has been disheartening. \* \* \* This grave weakness of public leadership has undercut the limited and inadequate public support. \* \* \* We the people have failed to achieve the greatly needed reorganization of the Federal Government."

Later in the cloakroom, no less than six Senators told BENTON that he had changed their votes. That evening, the Senate approved plan 8 (Federal Trade Commission) by 37 to 34 and plan 9 (Federal Power Commission) by 36 to 37 (49 "no" votes are required to defeat a reorganization plan). On Tuesday, three more went through: Reorganization of the Commerce Department, transfer of non-Federal public works to the Housing Agency; transfer of Federal buildings to the General Services Administration.

Final score for the session: Five plans defeated and 16 approved, out of 21 submitted so far.

Truman had learned a lesson. On future plans (four more this session) the key Sen-

ators will be consulted ("battered up" may be the better words) and the Cabinet officials will give more than lip service. Had these elementary precautions been taken from the start, every plan but the controversial one dealing with the National Labor Relations Board might have been approved.

Mr. McCLELLAN. Mr. President, it will be noted that a Mr. Samuel Shaffer, a reporter for Newsweek, is the author of the article.

Portions of the article are grossly inaccurate, misleading, and deceptive. I do not care to refer to or discuss all the misstatements of fact in it, because some of them are identified with and related to other Members of this body and to the President of the United States. They can speak for themselves. I do, however, refer to the absolutely false quotations which the author ascribes to me in a conversation which I had with the President of the United States on May 22, when I responded to his invitation to see him at the White House. Mr. Shaffer untruthfully quotes me in the article as having said to the President:

I was sort of carried away in the heat of debate when I spoke of power grabs, Mr. President.

Mr. President, that quotation is a bald faced falsehood. The "power grab" remark and the false quote has reference to a speech I made in the Senate on May 17, 1950, in opposition to the President's Reorganization Plan No. 7, which remarks are printed in the CONGRESSIONAL RECORD of that date on pages 7257 and 7258.

What I said in that speech is fully recorded in the CONGRESSIONAL RECORD. Some few days after I made that address, the Associated Press contacted me and asked me to comment on some reference the President had made to my remarks in a press conference. I said to the press then, and I repeat now, that what I had to say about the plan concentrating power in the executive branch of the Government "still stands." I said at that time, "I said what I meant, and I meant what I said." I said I had nothing to add to it and nothing to take from it.

I further stated, Mr. President, which is true, that those remarks were not directed at the present President of the United States but that, "I did oppose such concentration of power in the executive branch of the Government irrespective of who might be the occupant of the White House." The article and the quotation to which I have referred, and other represented to be quotations in it, were evidently designed and intended to imply that I was apologizing for or retreating from the position I had taken in Senate debate in opposition to Reorganization Plan No. 7. Such implication is false and a gross and flagrant misrepresentation of truth. I may add further, Mr. President, that Mr. Shaffer did not get his information or such quotation from either the President of the United States or from me, the only authentic sources from which he could have obtained such information and from which sources he would have obtained it, had he been careful to get and publish facts. Apparently Reporter Shaffer was not interested in doing a job of authentic reporting, as is evidenced



by his letter to me of June 1, 1950, which I ask unanimous consent may be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
PERIODICAL PRESS GALLERY,  
Washington, D. C., June 1, 1950.

HON. JOHN L. MCCLELLAN,  
United States Senator.

MY DEAR SENATOR: Regarding our discussion of this date, I can assure you that I did not obtain from you the conversations quoted in the June 5, 1950, issue of Newsweek—not from you nor the President of the United States. They were obtained from sources which I cannot disclose without violating the code of the newspaper profession. I did view my sources as unimpeachable, but I cannot cavil with the contention that in a strict legal sense the quotes would be labeled as hearsay. In writing the story I did not regard them as such.

There was no intention of implying that you had "backed down" on your opinions after seeing the President. I personally have watched your record in debate long enough to know that, though you would confess error when wrong, you stick to your guns when you are determined you are right.

Most sincerely yours,

SAMUEL SHAFFER,

Newsweek Magazine, Washington Bureau.

Mr. MCCLELLAN. As further confirmation of my opposition, I voted against approval of Reorganization Plans Nos. 8, 9, and 11, which included similar principles to those in plan No. 7, and I voted against two of those plans after my conference with the President of the United States.

Mr. President, this is not the first time that Mr. Shaffer has exercised an elastic and careless imagination in his reporting. In the May 23, 1949, issue of Newsweek he had an article entitled "Pork and Politics" that was absolutely false. It involved other Members of Congress from my State, more so than it did me, but, nevertheless, the article and its implications were maliciously false. Both the article of May 23, 1949, and the article to which I am addressing myself in the June issue of 1950 border on libel. They are both cases of loose and irresponsible reporting. They constitute a flagrant violation and abuse of freedom of the press, and either by premeditated design and intent or from lack of responsibility and diligence in seeking the truth they have inexcusably disseminated contemptibly false information to the public.

I sincerely hope, Mr. President, that the author of these articles and the publisher of this magazine will not again use the freedom of the press for a license recklessly to publish and disseminate misrepresentations, false quotations, and untruths to the readers of Newsweek.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. LUCAS. Mr. President, may I ask the distinguished Senator from Delaware one question? What does the Senator from Delaware wish to have done in connection with this debate?

Mr. WILLIAMS. The Senator from Delaware merely wanted the RECORD to show clearly that the Commodity Credit Corporation has spent \$96,000,000 and they do not know what happened to that money. No one in the General Accounting Office or in the Department of Agriculture can tell us where the money has gone. What the Senator from Delaware wants is to make very sure that this will not happen again and if possible place the responsibility for this loss.

Mr. LUCAS. The Senator from Delaware has placed that statement in the RECORD many times in the past. There is no doubt about the position of the Senator from Delaware. What I was wondering was whether he was trying to get a reconstruction of these records or trying to have an investigating committee appointed in an effort to find out what happened to the money. Perhaps he is asking that someone be authorized or directed to try to find out what happened to the money.

Mr. WILLIAMS. After the experience which the Senator from Delaware has had for the past 15 months in trying to obtain a little information as to what has transpired in this Corporation, I am somewhat discouraged. Even the Senator from Illinois lost a lot of his enthusiasm after the Comptroller's report supporting my position was delivered to the Senate. The Senate has no right to even think of giving \$2,000,000,000 more to this Corporation until the books are delivered to the Senate. We have no way of knowing whether the books for the years 1948 and 1949 are in any better shape or in any worse shape than the books for 1945. The books have not been sent to the Senate. I believe the Senator from Illinois voted for the law which provides that on the 15th of January of each year following the close of each fiscal year, Government corporations shall send their books to Congress. This Corporation has violated the law for 5 years. Why do we not demand that these books be sent to Congress? If there is nothing wrong with the books for the years 1948 and 1949, why should they be ashamed to show them to us?

Mr. LUCAS. I do not care about the books. I do not care whether they are sent to the Congress. If the books were sent here, the Senator still would not be in favor of the pending measure. He is unalterably opposed to it. I can understand his position. If I represented his State, perhaps I, too, would be opposed to the pending measure. I understand exactly what the Senator is trying to do. He is trying to defeat the measure indirectly. He is opposed to it, and he has been against it at all times. He is opposed to it because he wants to buy cheap corn as feed for his chickens in Delaware. He does not want the farmers in my section of the country to get the right kind of price for their corn. That is about all there is to this argument, Mr. President. The Senator from Delaware is trying to kill the Commodity Credit Corporation bill because, due to lack of manpower and the tremendous program involved some money was lost during the war. I wish we could find the money. However, either we must accept the statement of the General

Accounting Office, or we must introduce a resolution to have this matter reconstructed and reinvestigated. That would take a long time to do. As the Senator has said, even if we did it, probably we would still land at the same place where we are today.

Mr. ELLENDER. I wish to thank the distinguished Senator from Minnesota for his indulgence.

Mr. WILLIAMS. Mr. President, will the Senator from Minnesota yield so that I may reply to the Senator from Illinois?

Mr. THYE. I shall be glad to yield provided I do not lose the floor.

Mr. WILLIAMS. The Senator from Illinois seems to think that my motives in opposing this bill and in seeking to have an accounting of this money are purely selfish. Frankly, Mr. President, I had expected the Senator from Illinois to support me on the amendment which I offered, because I know of no Senator who made a more eloquent speech on the subject than did the Senator from Illinois make on October 4, 1949, and his remarks appear at page 14086 of the CONGRESSIONAL RECORD. At that time he denounced the selfish interests who were trying to get 90 percent support prices in order to buy the votes of farmers in their States. I was planning to use that speech later. However, I wish at this time merely to read an excerpt from the speech of the Senator from Illinois [Mr. Lucas].

Mr. LUCAS. I hope the Senator will do so, because the more advertising I get the better I like it.

Mr. WILLIAMS. I read the following excerpt:

Mr. LUCAS. There are certain individuals who want to keep raising support prices higher and higher, until the program is finally broken down. Such people are never satisfied with a decent, honorable support price. They want more and more. \* \* \* I believe I know something about my section of the country. I cannot speak for any other section, but I know exactly what the farmers in my section desire and what they believe in with respect to a farm program. No one ever dreamed, when during the war times we adopted the Steagall amendment supporting everything at 90 percent because of war, that we would ever continue it, on and on and on; and that is exactly what we are doing. Senators eventually cannot get away with it. It may be possible for a while, but it cannot continue.

Apparently the Senator from Illinois has changed his mind. I should like to suggest that he read his entire speech, as of that date. It was a wonderful speech, not only did I agree with the Senator from Illinois that day, but I voted with him. I hope he will support the same position today which is what my amendment proposes.

Mr. THYE. Mr. President, I should like to take a little time to make clear my understanding of what the status of the so-called Thye amendment is at the present time.

Mr. President, that there should be the wildest practical use of the facilities and channels of private enterprise in the vast operations of the Commodity Credit Corporation has been so clearly the intent of Congress that we have been too prone to take such a policy for granted. It is pertinent to reemphasize



it in connection with the pending measure, H. R. 6567, which provides for an increase in the borrowing power of the Corporation.

As now reported by the Committee on Agriculture and Forestry, the bill does not contain an amendment which I had previously proposed to S. 2826, the Senate companion bill, to require the Corporation in its various operations to employ the usual and customary channels, facilities, and arrangements of trade and commerce. I shall not press for the amendment, as I feel the committee's report reiterates specifically and emphatically the intent of Congress, and that this report embodies what I had in mind.

When it was found that this amendment met with the strong objection of the Department of Agriculture, it was decided to recommit the bill to the committee, and we have now had the benefit of public hearings. These hearings brought forth testimony as to the reasons why the officials of the Commodity Credit Corporation felt that the amendment would curtail and hamper the Government's program, arguments which have led the committee to omit the amendment in reporting the bill at this time.

The hearings also brought clear-cut testimony from farmers' cooperative elevators, independently owned country elevator operators, and the grain people in general. Many of the criticisms of the Commodity Credit Corporation were shown to be completely justified.

These specific complaints as listed in the subcommittee report were:

First. That the Commodity Credit Corporation has failed to make prompt financial settlements for services rendered by country elevators in the handling and shipment of grain owned by the Commodity Credit Corporation from the local area where it is produced to the grain terminals.

Second. That the Corporation has failed to advise country elevators within a reasonable time of downgrading and shortages in weight of shipments of Government-owned grain as reported by inspectors at the terminal markets.

Third. That the Corporation has failed to utilize the service of private agencies which would correct these problems to a great extent.

Both the subcommittee of which the Senator from Louisiana [Mr. ELLENDER] was chairman, which conducted the hearings, and the committee which has now reported the bill, have taken note of these criticisms as valid, have urged the Commodity Credit Corporation to correct them, and have made clear that if a satisfactory arrangement is not worked out it may be necessary to write into the law the specific requirements, which are now only broadly covered. I quote the present provision of the law to which I refer:

In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consist-

ent with the fulfillment of the Corporation's purpose and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

Mr. President, in view of this committee report, and the announcement that a subcommittee will be maintained for continuing observation of the handling of Government-owned agricultural commodities, I shall not offer for further consideration at this time any amendment to spell out the specific requirement, beyond the provisions already in the law, that the Corporation must use private channels of trade wherever practicable. The provision of the law which I have quoted, if it is now carried out by the Commodity Credit Corporation in accordance with the intent of Congress, would make possible, I believe, an arrangement between the Corporation and the grain people and other private agencies that will tend to cure the defects in the past operations which were set forth in the hearings before the subcommittee. Certainly that is our hope and expectation.

In my opinion the Commodity Credit Corporation should make use of the experience of men who through the years have developed the know-how in finding markets in both the domestic and foreign fields. In dealing with the surpluses in agricultural commodities, this powerful agency—whose borrowing capacity it is proposed we increase to nearly \$7,000,000,000—should use the best business brains available, both in its own administrative functions and in the advice and cooperation from private enterprise which it should actively cultivate and solicit.

Mr. President, we cannot hope to deal successfully with the complex problems we face in agriculture, or in any other field, unless we are determined to find the basis where public and private resources, leadership, and understanding can function harmoniously together for a common objective. It is plainly the duty of our Government—although it is far too often obscured—to provide a healthy atmosphere of cooperation, and not competition, wherein such an essential pooling of our resources would be possible.

Mr. SALTONSTALL. Mr. President, as a method of registering my protest to the present system of supporting the prices of basic agricultural products at 90 percent of parity with no flexibility, I have joined the Senator from Delaware [Mr. WILLIAMS] in an amendment to the bill, House bill 6567, to increase the borrowing authority of the Commodity Credit Corporation. This amendment restores the Anderson flexible provisions of the farm-support law. Only if there is flexibility can we expect to bring our basic agricultural commodities more in line with the facts of supply and demand.

Our citizens in Massachusetts are principally consumers. They are workers in business and industrial establishments. If the cost of industrial products is to go down, naturally the cost of living must go down. If the Government

supports the prices of basic agricultural commodities at fixed levels, then the costs of living are frozen and cannot go down.

The citizens of Massachusetts, a goodly number of whom are farmers, want to be fair to all the farmers from the grain-producing States of our country, but at the same time they want the farmers of those States to be fair to them. We want to be fair, not only to the farmers throughout the country, but to be fair to our consumers as well.

In Massachusetts our farmers produce for the most part poultry and dairy products. These are nonbasic agricultural commodities. Our farmers are very largely dependent upon the feed they must have through shipments from the Western and Central States of our country. These grains are basic commodities and are supported at 90 percent of parity for the year 1950. If the price of feed is kept at an artificially high support level and the price of eggs and poultry and milk drops, our farmers will get caught in the squeeze. The Government is working against their best interests. That is exactly what has happened. I cite a few figures:

In 1949, 6¾ dozen eggs would buy 100 pounds of feed; in 1950, it requires 9¾ dozen eggs to buy 100 pounds of feed.

In 1949, 11⅓ pounds of poultry meat were required to buy 100 pounds of grain; in 1950, 21 pounds of poultry meat are required to buy 100 pounds of grain.

In 1949, 100 pounds of milk would buy 123 pounds of grain; in 1950, 100 pounds of milk will buy only 112 pounds of grain.

Since the middle of 1949, our poultry farmers' returns over feed costs, in sale of eggs, have been about half those received in the year previous.

Mr. President, I quote a resolution unanimously passed by the Massachusetts Federation of Poultry Associations, and set forth in a letter I have received from Mr. C. Nelson Hardy, president of that federation:

Whereas Northeast agriculture must, if it is to survive, insist on legislative remedy for the uneconomic provisions of the Farm Act which called for rigid 90 percent of parity support for principal feed grains for 1950, and a lower support price for animal products: Therefore be it

*Resolved*, That the Massachusetts Federation of Poultry Associations support the recommendations of the National Poultry Federation and the Northeastern Farm Bureau and request our Senators and Congressmen to do everything in their power to revise the disparities of the Agricultural Act of 1949 whereby grains and other feed prices are held at artificially high rigid levels and animal products at lower levels.

Furthermore, we favor an act which will give supports to all agricultural products at not higher than a stop-loss level. We insist that immediate legislation is necessary to secure the enactment of flexible support prices based on supply low enough to insure production for market, rather than production for Government surpluses.

Mr. President, this amendment in which I am joining the Senator from Delaware would place in immediate effect a sliding scale support. The consumers of my State have repeatedly written to me that they cannot under-



stand why the taxpayers' money is used to buy farm commodities which are then stored out of reach of the consumer, in many cases until they are unfit for human consumption, or are later declared surplus and sold at a double loss to our Government and to our people. This the people of Massachusetts cannot understand. They believe it to be foolishness.

I recognize only too well that today some type of farm support is a necessary factor in our national economy, but I also wish to make it clear that in this regard the wartime emergency is over. We are growing more food than we are consuming, yet the prices of farm products remain so relatively high that some of our people cannot buy what they need, and are undernourished.

Steps must be taken immediately to stop these excessive price supports. If they are not taken, the inevitable result will be Government purchase of more and more commodities for which it has no present use, and an increasing, tremendous loss to the American taxpayer, who, it must not be forgotten, is also a consumer. Could there be a greater paradox than exists in this situation? The American taxpayer and consumer is being asked to pay money in taxes for price support on the one hand so that he may have the very doubtful privilege of paying excessively high prices for his food on the other.

I am firmly convinced that the time has come to put a stop to this, and to try again a sliding scale of price supports. If that does not work, I will be the first to say so and will be glad to hear other proposals for working out the problem. Let me emphasize very strongly the importance of fairness in this matter, fairness to our farmers—whose magnificent effort during the war years we will always admire—and fairness to our consumers and taxpayers. Under the American system, we must keep a balance and a sound relativity always between supply and demand. I voted for the Aiken proposal on just that basis; I voted against the Anderson bill for the same reason.

Mr. President, in the interest of Massachusetts farmers and consumers, and I firmly believe in the interest of all the American people, I hope very much that this amendment to H. R. 6567 will prevail.

Mr. IVES. Mr. President, I find myself increasingly disturbed at the apparent inability of the Congress to come to grips with the actualities of the situation which arises from the Federal Government's farm-support program.

This proposal to give the Commodity Credit Corporation authority to use an additional \$2,000,000,000 of the taxpayers' money is typical of our characteristically temporizing approach to the national agricultural problem itself.

Increasing the borrowing power of the Commodity Credit Corporation from \$4,750,000,000 to \$6,750,000,000 cannot even be called expedient. The sole effect of this additional extravagance is to purchase—at a fantastically exorbitant cost—that limited period of time which

will elapse before we are confronted again with this same sad state of affairs.

If we pass the bill, we shall be guilty not only of failing to solve any problem, but of refusing even to face the problem.

The measure before us now cannot even be described as a compromise. For the action which it contemplates is made necessary by the administration's refusal to adhere to its own 1948 party platform and to adopt the flexible price-support program which would make the enactment of this legislative absurdity unnecessary. H. R. 6567, therefore, represents a complete 180° turn away from the self-proclaimed position of the Democratic administration.

Our deliberations are supposed to produce decisions—not postponements of decisions. And until we finally make up our minds to incorporate in our farm legislation the principle of flexible price supports—the principle urged by farm groups, demanded by consumers, and proposed by both major political parties—we shall be confronted with an endless succession of such situations as the one we now face.

For these reasons, and for reasons so well presented by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], I am very glad to associate myself with the able senior Senator from Delaware [Mr. WILLIAMS] in support of the amendment he is to offer, which would make effective immediately the flexible price-support program and would deny the additional \$2,000,000,000 for the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, I send to the desk an amendment on behalf of myself, the Senator from New York [Mr. IVES], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY] and the Senator from Washington [Mr. CAIN]. I ask that it be read.

The PRESIDING OFFICER. The amendment will be received and lie on the table. Committee amendments have not been disposed of. It is not in order for the amendment to be considered.

Mr. LUCAS. Mr. President, I ask that the amendment be read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 1 it is proposed to strike out sections 1 and 2 and renumber section 3 accordingly.

At the appropriate place in the bill it is proposed to insert a new section to read:

Sec. . Paragraphs (1) and (2) of subsection (d) of section 101 of the Agricultural Act of 1949 (Public Law No. 439, 81st Cong.) are hereby repealed.

Mr. WILLIAMS. Mr. President, simply stated the amendment would repeal the guaranteed 90 percent support level by making effective immediately the flexible provisions of the Anderson Act, instead of waiting until 1952 before those provisions go into effect.

Mr. ELLENDER. And also the 80 percent level for 1951.

Mr. WILLIAMS. Yes.

Mr. LUCAS. Mr. President, the amendment which has been submitted by the distinguished Senator from Delaware for himself and other Senators who are interested in the flexible support price, of course, goes right in the teeth of the Anderson Act, which the Senate debated last year for some time and on which long hearings were held before the Committee on Agriculture and Forestry. We all recall that the bill which Congress finally enacted was a compromise measure. It was not what I wanted and was not what a number of other Senators wanted, but was a compromise bill. All legislation is more or less of a compromise nature. No Senator ever gets exactly what he wants after he introduces a measure because of the fact that there are so many conflicting interests throughout the United States.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I wish to ask the Senator from Illinois what I believe is a fair question. As one Senator from the northeastern section of the country I should like to know of what the compromise consisted. Congress passed the Aiken bill. The Aiken Act was repealed by the Anderson bill containing the flexible provision. Then, as the Senator from Illinois so rightly said, during the debate the Anderson provisions of flexible support were completely wiped out, and provisions which fixed 90 percent for 1950 and 80 percent for 1951 were inserted. I now ask the Senator from Illinois most respectfully, and I hope the question is a fair one: What was that a compromise between?

Mr. LUCAS. The Senator from Massachusetts will recall that the House of Representatives sent to the Senate a bill which contained the 90-percent support price on all commodities. It was a continuation of the wartime support price. The Senate passed a different version. However, we had a very difficult time with the conferees on the part of the House. I hope my good friend from Massachusetts will some time serve as a conferee on the part of the Senate in a conference, on which there are members representing peanuts and cotton and a few other products raised so well in the South. The Senator will then find out how difficult it is to reach an agreement in a conference of that kind.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield for another question?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I ask this question with a smile, because I see the Senator from Illinois is smiling.

Mr. LUCAS. I always smile when I am debating with my friend from Massachusetts.

Mr. SALTONSTALL. Under the circumstances, would it not have been better to have permitted the Aiken Act to go into effect?

Mr. LUCAS. The Senator, of course, can have his own opinion about that. I do not think so. As the result of what



has happened, I believe the bill before us is all right, and I will tell the Senator why.

Mr. SALTONSTALL. Except for the name "Aiken," would it not have been a good bill, in the opinion of the Senator from Illinois?

Mr. LUCAS. No. The Senator from Massachusetts cannot get me into any argument with my good friend the Senator from Vermont. I supported the Aiken bill, as the Senator well knows. I was one of the few Senators on this side of the aisle who stood up in the Eightieth Congress and supported the bill. Many Democratic Senators did not support it. But the hue and cry is constantly being raised against the farm program as it exists at the present time.

Mr. WILLIAMS. Mr. President, will the Senator from Illinois yield for a question?

Mr. LUCAS. I yield.

Mr. WILLIAMS. If the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New York [Mr. IVES], the Senator from New Jersey [Mr. HENDRICKSON], the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from Vermont [Mr. FLANDERS], the Senator from Washington [Mr. CAIN], and myself, were adopted, would it not mean that the flexible provisions of the Anderson Act would become effective immediately? Those are the same provisions the Senator from Illinois himself stood on the floor and debated and defended so enthusiastically as late as last October.

Mr. LUCAS. The Senator from Delaware is correct about that. Let me say to my friend that this is not strictly a farm bill. What we are doing here is attempting to give the Commodity Credit Corporation more borrowing power.

When the Senator brings before the Senate the kind of amendment he has just submitted, he immediately projects the farm fight over again. If we were to adopt this kind of an amendment, Congress would not get away from here for some time, because nothing like it will be passed by the House. If the Senate were to insist upon an amendment to the bill affecting the Commodity Credit Corporation which is now before us, repealing the present farm program, we would be here for a long, long time, I will say to the Senator from Delaware. It is simply not practical to consider such an amendment. The Senator is simply inviting a considerable amount of trouble by submitting the amendment. Ordinarily I might go along with the Senator from Delaware on such a proposal, but not at this particular time.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILLIAMS. Does the Senator from Illinois not agree with me that about the only difference between our offering the amendment to this bill, and the Senator from Illinois offering his potato amendment to the cotton-acreage bill, is that perhaps there is more corn grown in the Midwest than potatoes? Both repeal existing law.

Mr. LUCAS. There is a good deal of corn raised in the Midwest, and we are

not going to use it to feed to the chickens in Delaware. We are going to keep the price of corn where it belongs. If we do not keep the basic commodities of agriculture at decent prices, no money will be made on chickens in Delaware, notwithstanding what the Senator from Delaware or others may think about the controls.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. LUCAS. Not at this moment. The Senator from Delaware already has interrupted me.

Mr. President, every Senator, even my friend the Senator from Massachusetts knows that without a prosperous agriculture there cannot be a prosperous America. We saw what happened to the farmers back in the days of 1931, 1932, and 1933; and we know what happened to America at that time. Similarly, we know what was the buying power of the friends and constituents of the Senator from Delaware at that time. It was the little end of nothing, down to a fine point, so far as the farmers were concerned. If we are to have a prosperous Nation, the wheat farmers and the corn farmers and the cotton farmers and the other farmers must be prosperous, because some 35,000,000 persons are engaged in the agricultural industry, and they constitute the greatest single segment of real buying power there is in the United States. So long as the prices of agricultural commodities keep where they should be, the wages of labor will remain where they belong, the laboring man will have buying power, and that will keep the national income where it should be. Certainly we must have a national income somewhere near the maximum if we are to keep our economy strong and vigorous.

Mr. President, I did not expect to get into an argument of this sort; but since I have, I wish to state that since 1938, since the farm program has been in existence, the basic commodities—corn, wheat, tobacco, cotton, peanuts, and rice—taken as a whole have made money for the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, will the Senator yield at this point?

Mr. LUCAS. If the Senator from Delaware is disputing the statement I have just made, I yield.

Mr. WILLIAMS. I dispute it; yes. Is not the Senator from Illinois aware of the fact that the only way the Commodity Credit Corporation has made money on this so-called basic commodities is by virtue of the fact that in the past few years the Commodity Credit Corporation has given away billions of dollars' worth of these commodities and charged the loss to other Government agencies.

I have previously placed into the Record evidence to support that statement.

Mr. LUCAS. I do not agree at all with that statement; I challenge it. The Senator from Delaware has made that statement before on the floor of the Senate.

Mr. WILLIAMS. Mr. President—

Mr. LUCAS. Just a moment, Mr. President; the Senator from Delaware wants to do all the talking in the course of these debates. That is why some-

times I dislike to debate with him, because he simply will not let me finish what I wish to say when I have the floor.

I wish the Senator from Delaware would get the figures from the Department of Agriculture or from any other source and would show me where the Commodity Credit Corporation has lost billions of dollars. It simply is not a fact that the Commodity Credit Corporation has lost billions of dollars.

Mr. President, I have stated many times, and I have just checked it with the Senator from Louisiana [Mr. ELLENBERG] and with the clerk of the Committee on Agriculture and Forestry, that the Government has lost no money on the basic commodities; in the 12 years during which this program has been in effect, I undertake to say—and no one can successfully challenge the statement—that on the basic agricultural commodities for which provisions have been made for storage or control through acreage allotments, marketing agreements, and marketing quotas, the Government has lost no money. The money which has been lost has been in the eastern and northern sections of the country, primarily upon potatoes. The potato has given the price-support program the real "black eye," so far as the entire agricultural program is concerned. The figures show that \$383,000,000 have been lost on potatoes alone.

My contention has been from the beginning that if the Government would confine its operations to the basic commodities alone, as established originally under the Agricultural Adjustment Act, and would get away from the discretionary or mandatory power regarding price supports on the perishables and the non-storables and the non-basic agricultural commodities, the farm program would not fail under any circumstances.

However, so long as we permit farmers to grow as many potatoes as they wish to grow and so long as we permit commodities to come on the market without any control over them, just so long will we have a great deal of trouble arising from payments to the particular farmers concerned.

So far as I am concerned, I should like to see the discretionary power and the mandatory power stripped from the Secretary of Agriculture with respect to a great many of the non-basic commodities, and I should like to see the farm program stand or fall upon that basis. In that case, I know what the price of pork will be in my section of the country; for so long as the price of corn is high, the price of pork will be high, and so will the price of cattle that are shipped from the West to be fattened on corn in the East, to make prime beef.

Mr. President, I am unalterably opposed to this amendment; it has no place in the bill. It should not be adopted. I predict that it will not be adopted unless Senators who are interested in agriculture desire at this time, when we are only a few months or a few days away from the closing of this session of Congress, to riddle the farm program in its entirety.

I am surprised that these good Senators should offer this amendment. I know they offer it in good faith; but cer-



tainly it cannot be adopted, and certainly it has not place whatsoever in the pending bill.

Mr. President, I did not intend to discuss that matter; I intended to discuss another one, which is of considerable importance in connection with this bill, namely, the amendment we adopted last year regarding the disposition of surplus commodities.

Mr. WILLIAMS. Mr. President, before the Senator goes to another subject, will he yield to me?

Mr. LUCAS. I yield.

Mr. WILLIAMS. I wish to say that recently I inserted in the CONGRESSIONAL RECORD figures showing that during the past 18 months, alone, we gave away at home and abroad nearly \$3,500,000,000 worth of agricultural commodities, while during the same period the Commodity Credit Corporation showed a loss of only \$327,000,000. The Corporation's reports do not tell the full story of the cost of our agricultural policies. Our expenditures in all Government agencies must be combined. Then only may the taxpayer know the true cost.

Instead of the Government's making money on corn, as the Senator from Illinois said the Government did, actually the Government gave away hundreds of millions of dollars' worth of corn.

Mr. LUCAS. How many millions of dollars' worth does the Senator say?

Mr. WILLIAMS. The Government gave away \$121,722,455 worth of corn during the 12 months of the fiscal year 1949. At the same time the Commodity Credit Corporation claimed a loss of only \$527,447.

Mr. LUCAS. Who got that corn? Illinois did not.

Mr. WILLIAMS. Illinois might not have fared so well in 1949, however, I understand that Illinois is doing better now.

The occupied areas got \$30,899,902 worth, and \$91,350,000 worth went for ECA grants.

Mr. President, I am not discussing the merits of these proposals, but I wish to point out that the reason why the Commodity Credit Corporation books show a profit on their operations in corn, wheat, cotton, and tobacco has been that we have been giving them away abroad, without charging the losses to the operations of this agency. The losses appear in other Government agencies. Of course, the taxpayer does not care exactly which Government agency loses his money; what he really is concerned about is that his money is gone.

Mr. LUCAS. Mr. President, that is the strangest argument I ever heard—that money can be made for a Government corporation by giving things away.

Mr. WILLIAMS. Mr. President, that is not my argument; it is the argument the Senator from Illinois is supporting. I agree that it certainly is strange.

Mr. LUCAS. No; the Senator from Delaware just made that argument.

Mr. WILLIAMS. No; I was quoting from the report of the Commodity Credit Corporation. I say it is a very strange argument, for either the Commodity Credit Corporation, or the Senator from Illinois to claim supporting these basic

commodities is not costing the taxpayer millions.

Mr. LUCAS. I should like to know who got the \$120,000,000 worth of corn.

Mr. WILLIAMS. The Senator from Illinois should be able to find that out.

Mr. LUCAS. The Senator from Delaware deals with figures all the time, Mr. President. He should be a certified public accountant. I never saw anyone who deals with so many figures on so many questions. I must admit that it is a little difficult for me to understand where the Senator from Delaware gets the figures he uses.

Mr. WILLIAMS. Mr. President, will the Senator from Illinois yield briefly?

Mr. LUCAS. No.

Mr. WILLIAMS. I merely want to tell the Senator—

Mr. LUCAS. Very well; I yield.

Mr. WILLIAMS. I simply wish to tell the Senator that, so far, the figures I placed in the RECORD have gone unchallenged, and they have been in the RECORD for periods of from 30 to 60 days. Perhaps it is time some figuring be done in regard to these matters.

Mr. LUCAS. I just challenged the Senator to show where the \$120,000,000 worth of corn was given away, and the Senator from Delaware replied that I could find that out.

Mr. President, I will not yield further.

Mr. WILLIAMS. Very well; let the Senator proceed. I merely wanted to answer the question.

Mr. LUCAS. Just a moment, please.

Mr. WILLIAMS. Go right ahead.

Mr. LUCAS. Anyway, the Senator from Delaware is a very fine gentleman. He is making a very good Senator. He represents his constituency well, especially when he deals with figures. I hope he continues to do that. He has a sort of mania for figures.

Mr. WILLIAMS. I assure the Senator I shall be doing that as long as I am in the Senate.

Mr. LUCAS. I am sure the Senator will, and when he gets through with this set of figures he will have another set to present, somewhere along the line.

Mr. WILLIAMS. The Senator is exactly correct.

Mr. LUCAS. I thank the Senator. I have yielded to him again. Does the Senator want me to yield to him again?

Mr. WILLIAMS. If the Senator wishes to do so; yes.

Mr. LUCAS. Mr. President, in considering the question of disposal of the surplus foodstuffs which have been acquired by the Commodity Credit Corporation, many of us who are greatly concerned with this question constantly return to the premise that there is really but one solution to the problem.

The answer is obvious. It is to get this good food into the stomachs of people who need it before it goes to waste. That is one of the things we have been talking about, namely, the surplus food which exists in this country, and what to do about it.

Now, we all realize that that is not as simple as it sounds. The problem has to be attacked from many points, and we certainly have been working on it.

We adopted an agricultural plan last year which will tend to gradually decrease production of the farms to bring the balance between production and consumption more nearly into equilibrium.

We have extended our reciprocal-trade program in order to find larger markets for our farm commodities abroad. We have used our farm surpluses intelligently in rebuilding the strength of democratic nations throughout the world. But with all this we still have surpluses.

The real answer is that we must find more ways to increase the food consumption of the American people by methods which will not strait-jacket the American farmer or undermine the neighborhood grocer who is the key man in our food-distribution system.

Last year the Congress made a small start on this problem. It will be recalled that under section 416 of Public Law 439, the 1949 Agricultural Stabilization Act approved last October 31, the Secretary of Agriculture was authorized, in order to prevent loss through spoilage, to dispose of commodities acquired under price-support operations.

The distinguished Senator from North Carolina [Mr. HOEV], who is now occupying the chair, who is a member of the Committee on Agriculture and Forestry, well remembers the debates we had in committee upon that very proposition. The Secretary was authorized to turn such commodities over to the Munitions Board or any other Federal agency that might use them in making payment for other commodities not produced in the United States.

Furthermore, any other commodities not so used and in danger of spoiling could be disposed of according to priority. In other words, Mr. President, so long as we have this program, so long as we have the perishables which are in surplus, the Senator from Illinois, along with the Senator from North Carolina and other Senators, took the position that we should try to do something to keep such commodities from spoiling and being thrown away, and should endeavor to place them in the hands of those in this country who could use them. So it was provided that such commodities could be disposed of in the following order of priority:

First, to school-lunch programs, to the Bureau of Indian Affairs, and to Federal, State, and local public-welfare organizations; second, to private welfare organizations for the assistance of needy people within the United States; and, third, to private welfare organizations for the assistance of needy people outside the United States. That is the sum and substance of the amendment which was adopted.

All that State and local organizations have to do to get this food—and I should like to have the Senator from Delaware pay attention to this, because I want to give him a little advice and counsel as to just what this legislation means, for I am sure he does not quite understand it—all that State and local organizations have to do to get this food is to pay the cost of transportation from the point of Government storage. In addition, you will recall, through legislation



this year, the Congress made it possible for the Secretary of Agriculture to pay the cost of transportation of potatoes ordered by State and local school-lunch and public-welfare organizations for use in this manner. This was done under section 3 of Public Law 471.

On May 19 the senior Senator from Delaware called attention to these programs. His remarks may be found on page 7305 of the RECORD. He included a table showing the amounts that had been ordered by the various States during the first 6 months of the undertaking up to May 1, 1950.

Although he placed a peculiar interpretation on the facts, the Senator from Illinois is extremely grateful to the Senator from Delaware.

The table shows that Illinois led all States in the ordering of surplus butter, cheese, dried eggs, and dried milk and was second only to Pennsylvania in ordering potatoes for her needy people.

The Senator from Delaware was obviously laboring under a misapprehension of what this action on the part of Illinois involved. He made this conjecture, and I quote:

During recent weeks I have heard rumors that these free commodities were being distributed heavily in those States in which there were key elections scheduled, special emphasis being placed on the State of Illinois.

Mr. President, it is apparent that the Senator from Delaware, of course, was not making a political gesture there, at all; he was trying to be absolutely fair and impartial with the Senator from Illinois. He has advised us here all afternoon as to how wise he is in connection with all these agricultural matters, so he positively knew what he was talking about when he made that statement.

Now the Senator from Illinois believes that the Senator from Delaware has been a little hasty in his judgment and proposes to show that what has happened in Illinois is not an election year stunt, but rather a very intelligent application of some of the basic philosophy that the Senator from Delaware has himself expressed.

In the debate that occurred on the very day these provisions were approved in the Senate—October 12, 1949—the Senator from Delaware spoke out in what seemed to be support of this philosophy. On page 14604 of the RECORD for that date he said:

In my opinion, there has not been and never will be any excuse for the destruction of good edible foods, particularly as long as we have people in our own country who are actually hungry.

It will be noted that he said "particularly as long as we have people in our own country who are actually hungry." That is not my statement, Mr. President. It is the statement of the Senator from Delaware, who sometime ago charged on the floor of the Senate that because the Senator from Illinois happened to be running for reelection this year, he was using his influence to get surplus commodities into Illinois in order to influence the voters.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. No, I do not yield. That is exactly the interpretation that must be placed upon the statement which was made by the Senator from Delaware. It is perfectly all right with me that the Senator makes such statements. I hope the Senator will continue to put such things in the RECORD about the Senator from Illinois, because, the more Senators on the other side of the aisle talk about me, the better I like it.

Mr. President, we have people in Illinois who, though not hungry, are on a somewhat lean diet, and we sometime ago set out to do something about it.

Months before this provision was agreed to in the Congress, the State of Illinois under the splendid farsighted leadership of that great Democratic Governor, Adlai Stevenson—who, by the way, though I do not think it has been told here on the floor of the Senate recently, was elected 2 years ago by 600,000 votes—was making plans to take advantage of the distribution of free surplus commodities should Congress make them available.

This was a move not only to aid the needy people of Illinois but also to cooperate to help reduce the growing stores of surplus foodstuffs which have been hanging like a great shadow over our Midwest farmers. This was using sense and foresight in meeting human problems both in the cities and on the farms.

Governor Stevenson and his State Welfare Director, Fred K. Hoehler, one of the Nation's leading welfare authorities, former president of the American Public Welfare Association and director of the Chicago Community Chest, worked personally on this matter. They made plans for transportation and storage of these commodities throughout the areas of need. They devised a system of certifying needy people and giving them identification with which to draw their allotments at the warehouses. When Congress approved this plan last October, their machinery was ready and they swiftly moved into action.

The system of procuring and distributing these surplus foods was entirely worked out by the Illinois Public Aid Commission, a great body in which Republicans and Democrats alike have submerged partisan feeling to serve the needy.

The Senator from Illinois had absolutely nothing to do with it whatsoever. I never talked to the governor or the State welfare director with reference to it. I did not have to, because we have capable and competent officials in the executive branch of the government in Illinois who were watching for this very thing and took advantage of it.

Officials of the Department of Agriculture tell me that the States of Illinois and Massachusetts led all other in their advance planning and preparations to take advantage of these free foods when Congress made them available.

That gives me a terrific sense of pride in my State and in the Democratic administration that is directing its affairs. The Senator from Delaware has called attention to the fact that the State of Indiana next door has drawn nothing like the proportion that Illinois has

taken. Indiana has a fine Democratic administration under Gov. Henry F. Schricker. However, it has only about 40 percent as many people as Illinois and much less of a problem of concentration of population in great city areas. It will be noted that Pennsylvania and New York, which have welfare problems similar to Illinois although under Republican administrations, have taken considerable quantities under the program also.

The Agriculture Department officials tell me that Illinois had a considerable advantage because of its geographic location. A good share of this butter, cheese, dried eggs and nonfat dry milk solids was produced on Illinois farms and processed in Illinois factories. A very large proportion of it was being stored by the Commodity Credit Corporation in Illinois, mainly in Chicago. Consequently, the cost of transportation which the State must bear, was low. Most of the potatoes ordered came from Illinois, Michigan, and from the Red River Valley of Minnesota and North Dakota.

So Illinois with the help of the Federal Government, thus, was mainly using Illinois products to meet the needs of Illinois people.

If the Senator from Delaware was as familiar with Commodity Credit Corporation operations as he has sometimes led us to believe—he has certainly led us to believe it this afternoon—he would know that there is no question involved of the Federal Government going out of its way to distribute anything to the States.

It is a question for the initiative of the States; it is not a question for the Federal Government.

The burden is entirely on the States to take advantage of this program. The Department of Agriculture notified all States equally of the items available and their points of storage. From there on it was entirely up to the States to devise a system for disposing of the commodities and put in their orders to meet their needs. Under the law the Agriculture Department could not dispose of a pound that the State of Illinois had not ordered.

I should like to have the Senator from Delaware remember that the Secretary of Agriculture could not dispose of a pound of certain foods until the State of Illinois had complied with the regulations and had taken the initiative.

As I have said, I am tremendously proud that Illinois has shown this outstanding initiative and enterprise in taking good solid Illinois-produced food to expand its school-lunch program, to give needy old folks in institutions a better diet, to help widows and orphans, and the families of the poor and the handicapped. This to me is government at its best and demonstrates, I believe, the great wisdom of the Congress last year in making this program possible.

Before I close I should like to read from an address of that splendid agricultural economist, our able senior Senator from Vermont [Mr. AIKEN]. It is from an address he made before the Northeast Dairy Conference in Washington, March 31, 1950, published on page 2851 of the Appendix of the RECORD for April 10, 1950.



I see the Senator from Vermont entering the Chamber. I hope he will listen as I read.

Mr. AIKEN. I am willing to listen. I have no idea what the quotation may be.

Mr. LUCAS. It is diametrically opposed to the philosophy of my friend from Delaware [Mr. WILLIAMS], but I wanted the Senator from Vermont to hear it. The distinguished Senator from Vermont said:

With mounting surpluses and increasing unemployment, there is no time to be lost in meeting the challenge head on.

We have learned several ways now not to meet the problem. We can no longer depend upon dumping surpluses overseas. We can no longer rely upon the destruction of food supplies to do the job, particularly in view of the rising tempo of consumer wrath. Finally, we have found that a severe restriction of production on the farm will only aggravate rather than alleviate our troubles.

There is, however, right at our front door, the solution we seek if we can only find a way to reach it.

That large element of our population that I mentioned in the beginning, the low-income people of America, would prove to be an outlet for most of our surplus production if we can find a means of getting badly needed food into their homes.

The Senator went on then to describe his proposed food allotment program. Certainly this program which the great State of Illinois is using so advantageously is a fitting forerunner of some such plan as the Senator from Vermont has in mind when the technical difficulties can be worked out.

Mr. President, I hope that these facts that I have cited will clarify the mind of the Senator from Delaware concerning the rumors that he has heard about the acquisition of surplus foodstuffs by the State of Illinois to help its needy people and its farmers.

I thought the Senator from Delaware had been in the Senate long enough not to take rumors too seriously until he finds out what the facts really are. The Senator must know that Washington, D. C., is a spot where there are more rumors manufactured than there are in any other place in the world. I did not think the Senator from Delaware would be a party to any of these rumors, because usually, with his very precise mind, he tries to find out what are the facts.

Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks a table showing how the quantities of surplus food acquired by the Illinois Public Aid Commission have been used.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Distribution in Illinois of sec. 416 surplus foodstuffs, first 6 months to May 1, 1950*

Butter:	Pounds
Welfare cases .....	1, 220, 000
Institutions .....	253, 760
Cheese:	
Welfare cases .....	624, 000
Institutions .....	90, 540
Schools .....	1, 050
Dried eggs:	
Welfare cases .....	480, 000
Institutions .....	940

Dried milk:	Pounds
Welfare cases .....	960, 000
Institutions .....	200
Potatoes (sec. 416 only):	
Welfare cases .....	429, 000
Institutions .....	1, 861, 000
Schools .....	1, 083, 000
(Sec. 3, transport paid by U. S. Government):	
Welfare cases .....	3, 042, 000
Institutions .....	1, 415, 000
Schools .....	1, 006, 000

NOTE.—Schools under the school-lunch program had received a large distribution of butter, cheese, dried eggs, and dried milk just before the sec. 416 commodities became available. Institutions had received a similar distribution of dried eggs and dried milk.

Source: Commodity Credit Corporation, May 19, 1950.

Mr. LUCAS. Mr. President, that concludes my address. I sincerely hope I have not said anything which will cause my good friend from Delaware to make a longer speech than he had anticipated.

Mr. WILLIAMS. Not at all, Mr. President.

First, I want to thank the Senator from Illinois for concurring completely in the figures I placed in the RECORD in regard to the free distribution of agricultural commodities in Illinois. As he has said, we should not act on rumors. After hearing these rumors sometime ago, I checked with the Department of Agriculture, which supplied the figures I later placed in the RECORD. Those figures showed that Illinois was getting 28 percent of all the free dried eggs, 39 percent of all the free cheese, 43 percent of all the free butter, and, as the Senator said, around 9,000,000 pounds of potatoes. The Senator said I was wrong in saying that there might possibly be political implications involved. As proof he pointed out that Pennsylvania was the second runner-up in getting free goods. I cannot help but wonder whether there is any significance in the fact that the Democratic Party has candidates for reelection in Pennsylvania also.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. No, I cannot yield. The Senator did not yield to me.

Mr. LUCAS. I yielded many times to the Senator.

Mr. WILLIAMS. No, I cannot yield. That is the way the RECORD stands, and if the Senator from Illinois wishes to take any exception to the figures placed in the RECORD, I am sure he can take it up with the Department of Agriculture.

As to his statement that the supporters of this amendment are trying to destroy the farm program, I will make only a brief statement. I do not want to speak on the amendment tonight, because I understand the Senate will recess in a few minutes. The amendment cannot be voted on until after the committee amendments are acted upon, and it would be more appropriate to speak at the time the amendment itself is offered.

The Senator from Illinois seems to think that everyone who criticizes the existing farm program is a reactionary of the worst type and is also antifarmer,

but I call particular attention to the fact that as recently as October 4, 1949, the Senator from Illinois [Mr. LUCAS] himself was defending the amendment which we are now offering, and at that time he bitterly denounced those Senators who defended the 90 percent support price.

I read from the Senator's statement once before, and perhaps I should read a little more from it, because the Senator was very enthusiastic at that time for a lower support price. I assume he must have had a change of heart in the meantime. On October 4, 1949, the Senator from Illinois [Mr. LUCAS] said:

There is no reason why any other Senator who has some peculiar commodity which he thinks needs supports should not offer an amendment and have it included in the bill. We would be getting right back to where we were, to the wartime supports, and would be supporting everything at 90 percent. That seems to be the trend in the Congress. If it is desired to do that, then, regardless of what the commodities are, let us support all of them, the 126 agricultural commodities, regardless of how much is produced, turn everything loose, and give them a 90-percent support price. Then, Mr. President, see what happens to the farm program in about 2 years from now.

The thing that surprises me is, the economy-minded Senators upon my side of the aisle, and some Senators on the other side of the aisle, who are constantly talking about economy in government, and have been doing so all through the session, who have no hesitancy in getting off the economy bandwagon—no hesitancy whatever. When they are concerned with price supports on products grown in their own communities they bring up all this tommy rot about economy, and they try to force the majority leader to do a great many things with respect to resolutions of one kind and another; yet, when the time comes to support the basic commodities under a guaranty of 90 percent, Senators do not hesitate to take care of their people, the people in their own communities, with that kind of a proposition, regardless of what the cost may be in the future. \* \* \*

There are certain individuals who want to keep raising support prices higher and higher, until the program is finally broken down. Such people are never satisfied with a decent, honorable support price. They want more and more. \* \* \*

I believe I know something about my section of the country. I cannot speak for any other section, but I know exactly what the farmers in my section desire and what they believe in with respect to a farm program. No one ever dreamed, when during war times we adopted the Steagall amendments supporting everything at 90 percent because of war, that we would ever continue it, on and on and on; and that is exactly what we are doing. Senators eventually cannot get away with it. It may be possible for a while, but it cannot continue.

I have just quoted excerpts from a speech made by the Senator from Illinois. This speech was made prior to an election year. It is a wonderful speech.

Mr. President, in November 1949, Congress authorized the Department of Agriculture, through its Secretary Mr. Brannan to appoint an advisory committee to advise the Secretary of Agriculture as to what should be done in relation to the domestic agricultural support program and particularly to advise how it related to our international policy. This report is most revealing.



Mr. President, I ask unanimous consent at this time that the report be printed in its entirety at this point in the RECORD, as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

**FOREIGN AGRICULTURAL TRADE POLICY ADVISORY COMMITTEE SUBMITS REPORT**

The Foreign Agricultural Trade Policy Advisory Committee, formed in November, 1949 to advise the United States Department of Agriculture in matters involving foreign agricultural trade and policies, has submitted a report to Secretary of Agriculture Charles F. Brannan following its second meeting April 24 and 25.

The report is the second submitted to Secretary Brannan by the Committee. The first, rendered after the Committee's initial meeting January 6, 1950, emphasized the magnitude of the foreign trade problem and the need for detailed study by both Government and trade groups, and suggested full exploration of questions involved prior to specific policy recommendations. Seven policy areas were listed for such exploration. (Press release USDA 62-50.)

The Foreign Agricultural Trade Policy Advisory Committee is composed of representatives of farm organizations, land-grant colleges, the agricultural press and agricultural industry invited by Secretary Brannan to serve as members. (Press releases USDA 22-50 and 2526-49.)

The committee's second report follows:

"The agricultural industries of the United States are being rapidly and dramatically confronted with problems growing out of the alleviation of wartime and postwar shortages of farm products. As a result farmers and others interested in agricultural production and marketing policies must of necessity give prompt and vigorous attention to the developing foreign-trade situation as it affects the probable future foreign markets for American farm products.

"One of the questions which needs to be weighed most carefully in this connection is the fact that any agricultural or other program which endeavors to maintain prices above market levels for any considerable share of the time is inevitably nationalistic. It comes into conflict with efforts to develop international trade and other forms of international cooperation.

"Such programs are nationalistic and take us back on the road to isolationism because:

"1. They lead to well-nigh irresistible demands that trade barriers be raised to keep products of other nations from sharing in the artificially high prices they provide.

"2. They involve keeping American resources out of fullest use to curtail output in order to raise prices, and it is not logical to expect that imports which will defeat that objective will be acceptable.

"3. They increase the difficulties of exporting because prices are above those from competing sources of supply.

"4. They foster programs of export dumping which invite retaliation from other countries.

"5. They require barriers to keep products sold abroad at lower prices from returning to our markets.

"6. They encourage an expansion of State trading because of the Government controls necessary in their effective operation.

"7. They encourage similar nationalistic programs for the expansion of uneconomic production in other countries to replace our products which in turn will lead to further demands for restrictive action.

"While the inevitable adjustments in the postwar pattern of international trade will probably impose rather heavy adjustment problems on some segments of agriculture, it must also be recognized that similar adjustments may be required of other segments

of the American economy. To the extent that nonagricultural imports into this country may be developed as a result of a high level of domestic business, a high level of world production and trade, and a minimum of restrictive barriers, the necessary downward adjustments in our important agricultural industries may be minimized. Our agricultural and other programs should have sufficient flexibility to make them adaptable to a constructive foreign-trade policy.

"The United States today is the world's leading Nation. As such, it must weigh the consequences of its every action on its relationship to the rest of the world. Our efforts to get other countries to lower trade barriers and to work together for maintaining an enduring world peace will be seriously hampered, if not completely nullified, if this country pursues domestic programs in conflict with our international aims. It is essential that Americans generally recognize these facts."

Members of the committee who attended the April 24-25 meeting were: Homer L. Brinkley, secretary and general manager, American Rice Growers' Cooperative Association, Lake Charles, La.; E. F. Creekmore, E. F. Creekmore & Co., New Orleans, La.; E. W. J. Hearty, E. W. J. Hearty, Inc., New York, N. Y.; Edward J. Grimes, vice president, Cargill, Inc., Minneapolis, Minn.; O. B. Jesness, head, Division of Agricultural Economics, University of Minnesota, St. Paul, Minn.; Paul D. Sanders, editor, The Southern Planter, Richmond, Va.; W. A. Schoenfeld, dean of the School of Agriculture, Oregon State College, Corvallis, Ore.; R. E. Short, vice president, American Farm Bureau Federation, Brinkley, Ark., and Jesse W. Tapp, vice president, Bank of America, San Francisco, Calif.

Committee members unable to be present were: A. S. Goss, master, the National Grange, Washington, D. C.; Robert F. Loree, chairman of board, National Foreign Trade Council, Inc., New York, N. Y.; W. I. Myers, dean of the College of Agriculture, Cornell University, Ithaca, N. Y.; Edward J. O'Brien, Jr., Edward J. O'Brien Co., Louisville, Ky.; and James G. Patton, president, Farmers Educational and Cooperative Union of America.

Mr. WILLIAMS. Mr. President, I wish to call attention to certain recommendations which this committee made to the Secretary of Agriculture. The report is dated the 28th day of April 1950. This was long before the present bill was introduced in Congress. It was after the Senator from Delaware introduced his proposed amendment. I read from the report as follows:

The agricultural industries of the United States are being rapidly and dramatically confronted with problems growing out of the alleviation of wartime and postwar shortages of farm products. As a result, farmers and others interested in production and marketing policies must of necessity give prompt and vigorous attention to the developing foreign-trade situation as it affects the probable future foreign markets for American farm products.

One of the questions which needs to be weighed most carefully in this connection is the fact that any agricultural or other program which endeavors to maintain prices above market levels for any considerable share of the time is inevitably nationalistic. It comes into conflict with efforts to develop international trade and other forms of international cooperation. Such programs are nationalistic and take us back on the road to isolationism.

Mr. President, according to this report, apparently the Senator from Illinois in this election year is turning to isolation-

ism, because he is now advocating high support prices, which this board said will not work.

Continuing, they say that such programs are nationalistic and take us back on the road to isolationism because—

1. They lead to well-nigh irresistible demands that trade barriers be raised to keep products of other nations from sharing in the artificially high prices they provide.

2. They involve keeping American resources out of fullest use to curtail output in order to raise prices, and it is not logical to expect that imports which will defeat that objective will be acceptable.

3. They increase the difficulties of exporting because prices are above those from competing sources of supply.

4. They foster programs of export dumping which invite retaliation from other countries.

Mr. President, we are dumping agricultural commodities at far below the level at which they are being offered to the American people. We are offering wheat and corn to foreign countries at cheaper prices than they are being sold in this country to our own dairy and poultry farmers. That is all being done in order to maintain agricultural prices in the Midwest at an artificially high level. As the Senator from Illinois said last year, we have an unsound and unrealistic agricultural program.

5. They require barriers to keep products sold abroad at lower prices from returning to our markets.

I shall not read the remainder of the report, Mr. President, because it has already been incorporated in the RECORD.

However, I wish to read the membership of the committee which drew up this report. The members are:

Homer L. Brinkley, secretary and general manager, American Rice Growers' Cooperative Association, Lake Charles, La.; E. F. Creekmore, E. F. Creekmore & Co., New Orleans, La.; E. W. J. Hearty, Inc., New York, N. Y.; Edward J. Grimes, vice president, Cargill, Inc., Minneapolis, Minn.; O. B. Jesness, head, Division of Agricultural Economics, University of Minnesota, St. Paul, Minn.; Paul D. Sanders, editor, the Southern Planter, Richmond, Va.; W. A. Schoenfeld, dean of the School of Agriculture, Oregon State College, Corvallis, Ore.; R. E. Short, vice president, American Farm Bureau Federation, Brinkley, Ark., and Jesse W. Tapp, vice president, Bank of America, San Francisco, Calif.

The other members who were unable to attend, but who did not file a minority report, are:

A. S. Goss, master, the National Grange, Washington, D. C.; Robert F. Loree, chairman of the board, National Foreign Trade Council, Inc., New York, N. Y.; W. I. Myers, dean of the College of Agriculture, Cornell University, Ithaca, N. Y.; Edward J. O'Brien, Jr., Edward J. O'Brien Co., Louisville, Ky., and James G. Patton, president, Farmers Educational and Cooperative Union of America.

This group of men said that the agricultural program as it is now in our books is extremely nationalistic, and those who favor it are isolationists.

As the Senator from Illinois has said; I have always been unalterably opposed to an agricultural program which was based upon the destruction of good edible



foods in this country. I am still opposed to it. We have a program on our books today under which agricultural commodities are being destroyed. I think the Senator from Illinois will agree with me that many more products will be destroyed unless we drop this support level.

What are we going to do with this unwieldy accumulation of eggs, butter, prunes, raisins, honey, milk, peanuts, cotton, tobacco, wheat, corn, along with the many other commodities now stored in the caves and warehouses throughout our country?

Mr. LUCAS. Mr. President, before I move that the Senate go into executive session, I wish to make one brief reply to the Senator from Delaware. The Senator from Delaware has discussed this farm program all afternoon, and it is apparent that the Senator from Delaware does not know the fundamental or basic principle of the agricultural act. I do not like to say that, but if the Senator believes what he has said, it is apparent that he does not know the fundamental principles of the agricultural act as it is in existence at this time. I do not care to argue any further with the Senator. I do not care to argue with him any further tonight, and I do not wish to extend the argument tomorrow. As usual, the Senator from Delaware is trying to bring politics into the discussion. The farm program has always been on a bipartisan basis. Senators from the Midwest, both Republicans and Democrats, have been going along on that basis from the time that the McNary-Haugen bill was introduced for the benefit of agriculture many years ago. It is absurd and ridiculous for the Senator to infer, simply because our officials in the State of Illinois happen to be efficient and happen to be on the job, and are complying with this act,

that politics is involved in it. That is what we get from the Republican side of the aisle. We are always being told that this involves politics.

There is no politics in this; there was no politics in the bill we passed last year when we made money available for the transportation of surplus commodities to communities throughout the United States, to different organizations which could qualify. Instead of charging politics the Senator should be congratulating the officials of the State of Illinois. He has not anything to say about the officials of the State of Delaware. I do not know what they have done in Delaware to comply with the act, but those who have been on the job, showing efficiency, and exhibiting outstanding merit in government, like the group in Illinois that is governing the State at the present time, have performed well with respect to the amendment which Congress adopted, and in which Congress asked them to take action.

Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. WILLIAMS. Mr. President, I do not care to prolong the debate indefinitely, but the Senator from Illinois said that this afternoon the Senator from Delaware had been making a speech which indicated that he did not know what he was talking about in reference to the farm program. I merely want the RECORD to show that the Senator from Delaware has not made his own speech on the amendment today. What I have done this afternoon has been to read a speech which was previously made by the Senator from Illinois [Mr. LUCAS] and if the Senator from Illinois wants to now claim that that speech was dumb and displayed a lack of understanding of our agricultural programs, I want him

to understand that he is speaking disparagingly of his own speech made last October.

At the same time I read into the RECORD a statement made by the advisory board appointed by the Secretary of Agriculture, and I listed the names. If the Senator from Illinois thinks that advisory board, in turn, did not know what they were talking about, let the RECORD show that that is his opinion—not mine. If he wants to take the position that neither of them knew what they were talking about in reference to the agricultural program, I disagree with him.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Illinois has had the floor, and was interrupted. He has moved that the Senate go into executive session.

Mr. WILLIAMS. I suggest the absence of a quorum.

Mr. LUCAS. I do not yield to the Senator to suggest the absence of a quorum.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 6, 1950, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate June 5 (legislative day of March 29), 1950:

#### DIPLOMATIC AND FOREIGN SERVICE

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary of the United States of American to Iran.









the Senate did not embrace this class of aliens.

(6) Four thousand visas are authorized to be issued during a period ending June 30, 1951, to certain aliens who resided in China as displaced persons or refugees on July 1, 1948, or on the effective date of the amendment, and who have not subsequently been received for permanent residence by any other country other than the United States. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate provided for the issuance of 4,000 visas to this class of aliens. The conferees agreed to retain in the act the provision originating in the Senate which limits the class to those who have not subsequently been received for permanent residence by any country other than the United States.

(7) Five thousand nonquota visas are authorized to be issued during a period ending June 30, 1951, to eligible displaced orphans. The Displaced Persons Act of 1948 authorized the issuance of 3,000 nonquota visas to eligible displaced orphans. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate authorized the issuance of 5,000 nonquota visas to eligible displaced orphans. The conference agreed to enlarge the class of eligible displaced orphans to include Greek displaced orphans.

(8) Five thousand nonquota visas are authorized to be issued to orphans, under the age of 10 years, who, prior to June 30, 1950, were residents of certain European countries and for whom adoption or guardianship proceedings will be instituted. The bill (H. R. 4567) as it passed the House of Representatives did not embrace this class of aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 20,000 nonquota visas to this class of aliens, with an age limitation of 16 years.

(9) Fifty-four thousand seven hundred and forty-four visas are authorized to be issued during a period ending June 30, 1952, to certain aliens of German ethnic origin who were born in specified eastern European countries and who on January 1, 1949, resided in Germany or Austria. The Displaced Persons Act of 1948 provided that 50 percent of the German and Austrian quotas shall for 2 years be available exclusively to such aliens. The bill (H. R. 4567) as it passed the House of Representatives provided that 50 percent of the German quota shall, until July 1, 1952, be available exclusively to such aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 54,744 visas to such aliens during a period ending June 30, 1952. The apparent intent of the language of the bill (H. R. 4567) as it passed the Senate was to charge the quota of the country of origin of each alien in this class. The conference agreed to charge 7,000 quota numbers against the quotas for Germany and Austria for the two fiscal years ending June 30, 1949, and June 30, 1950, and to charge the remaining quota numbers against the quota of the country of nationality of the aliens who receive visas in this class.

(10) Fifteen thousand quota numbers are made available for the adjustment of status to that of permanent residents of aliens who entered the United States prior to April 30, 1949, temporarily as nonimmigrants or as non-quota-immigrant students and who are displaced from the country of their birth, or nationality, or of their last residence as a result of events subsequent to the outbreak of World War II and who cannot return to any of such countries. The Displaced Persons Act of 1948 made available 15,000 quota numbers to this class of aliens with an April 1, 1948, cut-off date. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate made available 15,000 quota numbers to this

class of aliens with an April 30, 1949, cut-off date. The bill (H. R. 4567) as it passed the Senate was amended by striking out the words "any of such countries," and inserting in lieu thereof the words "such country." The net effect of this change in language would be to make eligible for adjustment of status certain aliens who could return to one of the countries from which they had been displaced. The conference agreed to delete the Senate amendment. The bill (H. R. 4567) as it passed the Senate was also amended by adding language which embraced Palestinian Arab students within this class. The reason for this amendment is that the Immigration and Naturalization Service has held administratively that aliens embraced in this class must have been displaced by events occasioned by World War II and that the displacement of Palestinian Arab students was not occasioned by World War II. The conferees agreed to delete the Senate amendment which embraced Palestinian Arab students within this class, because the conferees hold that it was not the legislative intent to limit this class to aliens whose displacement was occasioned by World War II; and that the Senate amendment which embraced Palestinian Arab students within this class is not only unnecessary but would lead to ambiguity.

(11) Fifty percent of the nonpreference portion of the immigration quotas is allotted for a period ending June 30, 1954, to aliens of European national origin who, before January 1, 1949, entered an area or country in Europe outside Italy, or the American, British, or French zones of Germany or Austria, who have been displaced from the country of their birth or nationality or last residence as a result of events subsequent to the outbreak of World War II and who cannot return. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate embraced this class of aliens. The bill (H. R. 4567) as it passed the Senate limited the geographical scope to European countries and the conference agreed to accept the Senate amendment.

#### PROCEDURES

The bill (H. R. 4567) as agreed upon by the conferees and recommended in the accompanying conference report contains provisions designed to strengthen the administration of the law, as follows:

(1) The conferees have agreed to retain in the act the essence of certain provisions, originating in the Senate, the language of which provisions has been agreed upon by the conferees to read as follows:

"The burden of proof shall be upon the person who seeks to establish his eligibility under this Act, and no person shall be certified by the Commission as eligible under this Act if the Commission knows or has reason to believe that the alien (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act; and no person shall be issued an immigration visa or be admitted into the United States under this Act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws."

(2) The conferees have agreed to retain in the act the provision, originating in the Senate, under which assurances for employment and housing may be submitted only by a citizen or citizens of the United States. The conferees have also agreed to retain in the act the provision, originating in the

Senate, which requires a sworn statement of good-faith acceptance of employment by certain eligible displaced persons and prescribes that if such statement is falsely made, it shall be deemed to be a misrepresentation under the provisions of the law.

(3) The conferees also agreed to retain in the act, with slight modifications, the provisions, originating in the Senate, which preclude the issuance of a visa to any person who has borne arms against the United States. The language of the provision as agreed upon by the conferees precludes the issuance of a visa "to any person who has voluntarily borne arms against the United States during World War II." It is the information of the conferees that certain persons other than German nationals were compelled against their will to serve in armed forces and auxiliaries thereof against the United States during World War II, and it is the judgment of the conferees that such persons should not ipso facto be made ineligible.

#### PAYMENT OF TRANSPORTATION COSTS

The conferees have agreed to retain in the act, with slight change, the provision, originating in the Senate, under which the Reconstruction Finance Corporation is authorized to make advances to the Displaced Persons Commission to be used to finance the overseas transportation of aliens of German ethnic origin who are provided for under the act. The reason for the provision is that persons of German ethnic origin are expressly excluded from the concern of the International Refugee Organization, and therefore the International Refugee Organization does not pay the transportation costs of such aliens. The conferees also agreed to retain in the act, with slight modifications, a provision, originating in the Senate, which would include aliens of German ethnic origin in the class for whom loans could be made for the payment of inland transportation costs. Under the language agreed upon by the conferees the advances for the payment of inland transportation costs may be "through public or private agencies to persons who provide assurances, or to public or private agencies to finance the reception and transportation \* \* \*." The conferees also agreed to a new provision in the act which would require the Displaced Persons Commission to include in its semiannual report full and complete details respecting the loans authorized by the act. The conferees also agreed to retain in the act a provision, originating in the Senate, under which all transportation by ships or planes of aliens under the act, to the United States, the cost of which is defrayed in whole or in part by the Government of the United States, shall be by ships or planes registered under the United States flag or by ships owned by the United States.

PAT MCCARRAN,  
HARLEY M. KILGORE,  
HERBERT R. O'CONNOR,  
ALEXANDER WILEY,  
HOMER FERGUSON,

*Managers on the Part of the Senate.*

#### HAPPENINGS IN WASHINGTON—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD program No. 26 in a series of radio addresses entitled "Happenings in Washington," delivered by him on June 5, 1950, which appears in the Appendix.]

#### ADDRESS BY JOHN E. PEURIFOY AT WINTHROP COLLEGE COMMENCEMENT EXERCISES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address to the graduating class of Winthrop College, Rock Hill, S. C., delivered by Hon. John E. Peurifoy, Deputy Under Secretary of State, on Sunday, June 4, 1950, which appears in the Appendix.]



# ARMED FORCES DAY ADDRESS BY BRIG. GEN. ARTHUR G. TRUDEAU

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address delivered on Armed Forces Day, May 20, 1950, at Sioux Falls, S. Dak., by Brig. Gen. Arthur G. Trudeau, Assistant Commandant, Army War College, Fort Leavenworth, Kans., which appears in the Appendix.]

# DECISIONS BY THE SUPREME COURT— NEWSPAPER COMMENT

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an article entitled "An Historic Day in the Supreme Court," by Arthur Krock, and an editorial entitled "Separate But Equal," published in the New York Times, June 6, 1950, which appear in the Appendix.]

# DIVERSION OF ADDITIONAL WATER FROM THE NIAGARA RIVER FOR POWER PURPOSES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter from the Niagara Mohawk Power Corp. relating to the pending treaty to permit diversion of additional water from the Niagara River for power purposes, and a statement prepared by him on the same subject, which appear in the Appendix.]

# ORIGIN OF THE NAME "WASHINGTON"— LETTER FROM ERIC UNDERWOOD

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a letter regarding the origin of the name "Washington," signed by Eric Underwood, and published in the New York Herald Tribune, which appears in the Appendix.]

# EFFECT OF FOREIGN IMPORTATIONS ON AMERICAN OPTICAL INDUSTRY

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter addressed to him by the DuMaurier Co., of Elmira, N. Y., dated June 1, 1950, referring to the effect of foreign importation on American optical industry, which appears in the Appendix.]

# THE MISSOURI VALLEY AUTHORITY— ARTICLE FROM BURDICK'S MAGAZINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "The Truth About the Missouri Valley Authority," published in Burdick's magazine for May-June 1950, which appears in the Appendix.]

# BUSINESSMEN, FARMERS, AND THE BRAN- NAN PLAN—ARTICLE FROM BURDICK'S MAGAZINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Business and the Brannan Plan," published in Burdick's magazine of May-June 1950, which appears in the Appendix.]

# THE 15 TOP MEN IN U. S. A.—EDITORIAL BY MERRYLE STANLEY RUKEYSER

[Mr. CAIN asked and obtained leave to have printed in the RECORD an editorial entitled "The 15 Top Men in U. S. A.," written by Merryle Stanley Rukeyser and published in the Seattle Post-Intelligencer on April 11, 1950, which appears in the Appendix.]

# CORRECTION OF THE RECORD

Mr. THYE. Mr. President, I should like to call attention to an error in the CONGRESSIONAL RECORD of June 5, at page 8156. It is merely an error of one word. The word should be "widest" instead of "wildest." It is found in the last paragraph of the third column on that page.

The VICE PRESIDENT. The correction will be made.

# INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. The question is on agreeing to the committee amendment to House bill 6567.

Mr. LUCAS. Mr. President, before the debate begins on the pending bill I should like to make an inquiry of my able friend from Delaware as to how long he thinks it may take before we can have a vote upon the measure. I know the Senator from Delaware is ready to proceed with the debate. If I could secure some information from him as to how long he believes the debate will last I should be delighted to have such a statement from the Senator.

Mr. WILLIAMS. It should not take very long. I am sure the Senator from Illinois is going to be very easy to persuade, as well as some of his colleagues. I do not anticipate too much trouble along that line.

Mr. LUCAS. I thank the Senator. My reason for making the inquiry is to ascertain how long it may take to conclude debate on the bill. It is the hope of the Senator from Illinois that we may complete action on the bill this afternoon. I hope Members of the Senate will stay around so we may vote upon the amendment and upon the bill itself, if possible, today.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. The distinguished majority leader yesterday made an announcement with respect to the legislative program. What is the next measure the majority leader intends to take up for consideration after the pending measure is disposed of?

Mr. LUCAS. I have previously advised the Senate that we would next bring up for consideration House bill 6000, the social-security bill. However, we may be compelled to lay that aside, in order to consider the rent-control bill, which has been ordered to be reported favorably to the Senate. Those are the two bills which will follow the measure now before the Senate.

I may also say to the Senator, since he made the request, that we will have to have a call of the calendar one day this week. That may be tomorrow or the next day, depending upon what the Democratic policy committee decides to do when it meets.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILLIAMS. I might say to the Senator from Illinois that I had hoped we could proceed immediately to debate and act on the committee amendment, in order that I might offer my amendments which are to follow.

The VICE PRESIDENT. The clerk will state the amendment of the committee.

The LEGISLATIVE CLERK. On page 1, after line 9, it is proposed to insert:

Sec. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7,

sec. 624), is hereby amended to read as follows:

"Sec. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause, on his own motion or on the motion of interested producers or processors, an immediate investigation to be made by the appropriate office or agency of the United States Department of Agriculture responsible for the administration of the affected program, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Secretary of Agriculture shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts and the President may by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture: *And provided further*, That in designating any article or articles, the Secretary of Agriculture may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.



"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision, finding, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final.

"(f) No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

#### THE SCHUMAN PLAN TO POOL STEEL AND COAL RESOURCES IN WESTERN EUROPE

Mr. STENNIS. Mr. President, the proposal of the great French Foreign Minister, Robert Schuman, to pool the steel and coal resources of France, Germany, and other western European nations is the most far-reaching and encouraging practical measure for the peace and economic development of western Europe that has been made since the end of World War I. The plan is something definite, practical, and tangible, with tremendous economic power behind it.

France and Germany have used their respective resources from these two basic materials in wars against each other for over a century. Since the end of World War II, we have been called on partly to underwrite the economy of each of these almost exhausted countries. If they do not now perfect plans to combine their powers and resources, they will run the hazard of being at war with each other again soon, and also run the far greater hazard of being destroyed by Russia.

On the other hand, the Schuman plan of combining the resources of the western European nations is a very definite and formidable defense against the Russian threat of control of western Europe, and will certainly tend to stop Russia's plan of dividing and destroying those great peoples.

We are fooling no one except ourselves if we think we are to be successful in helping rebuild and rearm the nations of western Europe so as to save her from Russia and communism, unless those nations are willing to take practical steps of this kind to combine their resources and their strength. In the beginning of the program of rehabilitation of Europe, I think we leaned over backward in maintaining our high-sounding declarations that we did not want to interfere with the internal affairs of European nations. Certainly, we do not want to dominate or control any other nation; but we made a serious mistake in not requiring these nations to pool their basic resources for their common defense and protection, and to alter their eco-

nomic courses to the extent of the cooperation required.

The fact that this bold and revolutionary proposal comes from France and is quickly approved by western Germany, the two long-time archenemies of Europe, grimly attests the realization on their part of the absolute necessity of a change in attitude—the necessity of a move for unification. It is indeed encouraging that the Netherlands, Luxembourg, Belgium, and Italy have also agreed to proceed with the plan as a step in unifying western Europe for advancing the cause of peace. England can well reconsider her position of sending her blessings, rather than joining in cooperation. This is no time for theoretical discussions as to surrendering a part of national sovereignty, when the real issue, as I see it, is not a matter of sovereignty, but a matter of survival; nor is it a time to let vested interests in Europe hold things in a stalemate.

A plan along this line is long past due. Without it, the constructive accomplishments of the Marshall plan will slowly disintegrate within a few short years. As a supporter of the Marshall plan recovery program, I am fast losing hope for permanent results therefrom unless definite and practical steps are taken along the lines of the Schuman proposal.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. McCLELLAN. Has the Senator from Mississippi concluded his statement?

Mr. STENNIS. No; I have not quite completed my statement on this subject.

Mr. McCLELLAN. I have been following the Senator's remarks with very much interest. When he concludes them I should like to ask him a question.

Mr. ROBERTSON. Mr. President, will the Senator yield to me at this point for a question?

Mr. STENNIS. I yield for a question.

Mr. ROBERTSON. At the outset I wish to say that I am in thorough sympathy with the viewpoint being expressed by my distinguished colleague.

I wish to ask him whether he thinks the policy to which he has been referring should be followed with a very definite policy on our part to stop the dismantling of German plants, if any which have been designed primarily for industrial rehabilitation are now being dismantled.

Mr. STENNIS. Absolutely. Whatever purpose, if any, was to be served by dismantling plants in Germany has long since been accomplished, and the cause therefor has long since disappeared. So it seems to me to be the height of folly for us to be building plants on the one hand and destroying them on the other.

Mr. ROBERTSON. I call the attention of my distinguished colleague to the fact that we are still building plants in Germany, and so far we have invested in that program in excess of \$700,000,000.

I am glad my colleague agrees with me, because I think it is the consensus of opinion of the Senate that we want a strong industrial Germany and we want Germany to become self-supporting, be-

cause that will not only relieve us of tremendous financial burdens but it will make a major contribution to the ultimate program of enabling all the countries of western Europe to become self-contained and self-supporting.

Mr. STENNIS. I agree wholeheartedly, Mr. President, with the sentiments of the Senator from Virginia; and I think that without a rebuilt and a strong Germany the economy of Europe cannot again be maintained.

Furthermore, Mr. President, it seems clear to me that the State Department should push this plan to the limit and should actively and vigorously support it at every turn. I wish that every Member of the American Congress would publicly express the position that I believe their common sense dictates to them, namely, that unless the countries of western Europe do combine their basic resources and alter their economic and trade policies to a pattern that will organize their economic power and resources to a common defense against Russia, then we cannot further help finance the economies and military programs of these countries. Time is short.

Now I am glad to yield to the Senator from Arkansas.

Mr. ROBERTSON. Mr. President, will the Senator yield to me, first, to permit me to ask one more question?

Mr. STENNIS. I had agreed to yield first to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I am very glad to defer to the Senator from Virginia.

Mr. ROBERTSON. I thank the Senator.

Mr. STENNIS. Then I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, does not my colleague from Mississippi agree with me that it is entirely possible for the five countries he has mentioned to integrate their coal and iron and steel industries for the rehabilitation of western Germany without ultimately engaging in world competition with us, and by means of national cartels putting that steel on the market in violation of the reciprocal trade agreements we now have with those nations?

Mr. STENNIS. Mr. President, I think that whatever tendency there might be to lead to a governmental cartel would not be so bad as the present system of cartels, as I understand it, which has been in vogue in Europe, particularly prior to World War II.

Mr. ROBERTSON. That is true.

Is it not also true that at the moment we face two big C's in Europe—one, communism; the other, competition—and we had better make up our minds which we fear the most?

Mr. STENNIS. That is well said, and the Senator from Virginia has made a real contribution, for which I thank him.

Mr. President, I now yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I appreciate the Senator's courtesy in yielding to me.

I simply rose to compliment him on his forthright statement. If the Sena-



tor will permit, I should like to join him in the remarks he has made, for they express my sentiments even better than I myself could express them.

We have aided the European countries under the Marshall plan to the extent that we have rehabilitated their production above prewar levels; yet there is something lacking. I think this is one of the things that is lacking. If we are to go along with a policy merely of suggesting that things be done, while no continued effort is made to see that they are done, we may anticipate that the beneficiary nations will expect us to provide Marshall plan aid long after the program should stop and can be stopped if the resources of the western European nations are pooled and if the interested countries will get together and work together on the same sort of economic union. I think the able Senator from Mississippi has well expressed the sentiments which many of us share.

Mr. STENNIS. Mr. President, I wish specially to thank the able Senator from Arkansas. I appreciate very much being associated with him in this important subject. I should like to add that I think we are burning daylight and destroying one of the opportunities we have to bring about a lasting and effective solution of the economic and industrial problems of western Europe.

Mr. THYE and Mr. LEHMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Mississippi yield, and if so, to whom?

Mr. STENNIS. Mr. President, I do not wish to decline to yield to any Senator, but the Senator from Delaware had understood that I would occupy the floor for a few moments only. I would not want to yield extensively to any Senator.

Mr. WHERRY. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield; and if so, to whom?

Mr. STENNIS. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, the subject which the distinguished Senator has been discussing is one which was quite thoroughly discussed this morning in the Appropriations Committee in connection with the taking of evidence on ECA appropriations.

The discussion of this aspect of the subject is timely. The Schuman proposal, according to the Administrator, is a complete, new program, advanced by the French Government. I should like to ask a question of the distinguished Senator from Mississippi, especially in view of a news item in the New York Times of this morning entitled "Six European Lands To Speed Meeting of Resources Pool." I ask unanimous consent that this news item, together with statements regarding the pool plan, be placed in the RECORD at this point.

There being no objection, the news item, together with the statements, was ordered to be printed in the RECORD, as follows:

**SIX EUROPEAN LANDS TO SPEED MEETING ON RESOURCES POOL—CONTINENTAL NATIONS ANNOUNCE IMMEDIATE OBJECTIVE IS TO MERGE COAL AND STEEL—HIGH AUTHORITY IS SEEN—BRITAIN'S RELUCTANCE IS HELD IN PARIS TO SHOW UNWILLINGNESS TO AID WITH UNITY PLANS**

(By Harold Callender)

PARIS, June 3.—Formal announcement was made today by six continental governments that they would negotiate with the immediate objective of pooling their coal and steel production under a new high authority whose decisions would bind the six countries.

The six were France, Italy, western Germany, Belgium, the Netherlands, and Luxembourg. The French Government promised it would keep Britain informed so that she might later join the negotiations if she found it possible.

The negotiations are expected to begin about the middle of June on the basis of the French proposal of May 9—the Schuman plan—instead of on the less precise basis urged by the British Government, which declined to accept the principles of the Schuman plan as the objective.

The brief statement today, issued after a week of hectic diplomatic sparring between the French and British, represented the first formal joint step to carry out a project that specifically entails abandonment of a measure of national sovereignty in the interest of uniting not merely basic industries but the nations of Europe.

**UNWILLINGNESS OF THE BRITISH**

The unwillingness of the British Government to join in this step, revealed in a series of notes during the last week, is interpreted as showing more clearly than ever the reluctance of the British Government to join in or to encourage moves toward the economic or political unity of Europe.

This reluctance has been visible in the Marshall plan council, to which the British have opposed giving leadership or authority, in the long British resistance to the project for a European Payments Union, in the British opposition to giving wider functions to the Council of Europe.

The French, long hesitant to join with Germany in any steps toward European unity without the approval or the presence of the British, have now taken the leadership in an unprecedented step in that direction; and they have done so against the resistance of the British.

In the swift diplomatic interchange between Paris and London over the Schuman plan, the French have stuck tenaciously to their thesis that negotiations would be useless unless all agreed on the objectives—these being to pool coal and steel resources and to put them under a supranational authority.

**RELUCTANCE IS REITERATED**

Day after day and in note after note, the British have refused to subscribe to these objectives. They thus reiterated in writing the reluctance they had so often shown toward proposals for European unity.

The view here is that the British would have been more candid and on firmer ground if they had frankly said that their planned economy and their Commonwealth relations had prevented their joining the Schuman plan, instead of saying that they sought constructive action while declining any commitments to the action proposed.

The view is growing on the Continent that the British Government not only is reluctant to take part in uniting Europe but, in conformity with the traditional balance-of-power practices, actually dislikes the idea of a strong and united Continent.

The week of diplomatic shadow-boxing over the Schuman plan is interpreted by some Europeans as a British attempt not so much to justify Britain's position as to block the application of the Schuman plan by the Continental countries.

The European leadership that France has assumed, in a direction in which Britain hesitates to follow, is expected to commend itself to the United States, which has long advocated European unity and urged regional moves to that end, such as the Schuman plan will be if it materializes. Those Americans who have complained at a lack of positive action for unity in Europe are expected to be favorably impressed by the negotiations that the French have now set in motion, looking to a greater degree of unity than any counted on through the Marshall plan.

On the other hand, the American view that the British have been too hesitant in supporting such European moves will be reinforced by the British Government's non-committal attitude toward the Schuman plan, as emphasized in the series of British notes.

Until now, the British have apparently felt that they had a prior claim on the consideration of the United States, whether they cooperated fully with the Continent or not. Continentals themselves shared this feeling last September, when the British were called into a separate conference in Washington while the Europeans awaited the devaluation decision that followed. The effect was to sharpen the rift between Britain and the Continent that had already developed in the Marshall plan council.

**RIFT AGAIN ACCENTUATED**

This rift seems again to have been accentuated, or advertised, by Britain's attitude toward the Schuman plan. But this time the prior attention and sympathy of the United States is not expected to go so exclusively to one side as it appeared to Europeans to go last September.

Speaking of the split between the French and British Governments over the Schuman plan, former Premier Paul Reynaud ascribed it tonight to British unwillingness to accept a supranational authority. He contended there could be no union of Europe without such partial abandonment of sovereignty. He found it paradoxical that Winston Churchill, in his Zurich speech, had called for European unity, but that when France responded by a concrete proposal, it was Britain who held back.

This comment was mild compared to the feelings of some of the sponsors of the Schuman plan when they read the communique issued by the British Government today.

During the last week the French adhered to the strictest diplomatic etiquette. Their foreign office even went so far as to tell an incredulous press that the dispute was a mere verbal misunderstanding. But at the end of the week the British took what was considered here a highly incorrect action.

At the end of its communique, the British Government told the public that it would be glad to join in a meeting of ministers to reach agreement on procedure for the Schuman plan negotiations "if the French Government were prepared to contemplate a fresh approach."

The communique said that this British suggestion had been put to the French Government. But it did not say that the French Government had rejected it as futile, or that the British Government had then resigned itself to the alternative of being informed by the French regarding the negotiations. The British suggestion was put into the communique as if it were something still pending a decision by the French.



The French found this communique misleading and discourteous since it is not the habit of governments to announce proposals made in secret notes without the consent of the other government involved.

The British proposed last night a conference of foreign ministers of the six negotiating Governments plus Britain in order to fix "procedure" for the negotiations. The French replied that such a course would only delay the negotiations without offering any chance of overcoming the French and British difference.

In important quarters the opinion was expressed that this British move for a Foreign Ministers' Conference—coming after the loss of a week through redundant arguments in diplomatic notes and long telephone conversations—could only have been intended as obstructive.

Throughout the astonishing diplomatic exchange of the last 8 days, all over the question whether the British would or would not agree upon the two objectives cited above as the basis of negotiations, the essentially negative British attitude has contrasted sharply with that of the six Continental countries that have agreed to discuss the Schuman plan by accepting in principle the goals it set.

But this attitude has seemed in striking conformity with previous British attitudes toward collective European undertakings since the Marshall plan was accepted as a means of bringing the European nations, including Britain, closer together.

The United States sometimes lumped Britain with the Continent in urging European unity, Britain being so lumped in the Marshall plan. At other times the United States has given Britain separate and preferential treatment ever since its loan to Britain 2 years before the Marshall plan. In a sense Britain became the leader of Europe in the Marshall Plan Council. It has appeared during the last few days more clearly than before that Britain's position in relation to the Continent was one of qualified isolation while it had become France's turn to offer leadership.

#### TEXTS OF STATEMENTS ON POOL PLAN SIX-POWER COMMUNIQUE

The Governments of France, Germany, Belgium, Italy, Luxemburg, and the Netherlands are decided to pursue a common action of peace, European solidarity, and economic and social progress, having for their immediate objective the pooling of coal and steel production and the institution of a new high authority whose decisions will link France, Germany, Belgium, Italy, Luxemburg, the Netherlands, and countries which will adhere to it.

Negotiations on the basis of a French proposition last May 9 will begin at a date which will be proposed in the immediate future by the French Government with the view to bringing about the establishment of a treaty which will be submitted for ratification by the various parliaments.

#### STATEMENT BY FRANCE

In the present state of things the Government of Great Britain has not believed itself able to join the six other governments in signing a communique published today on the French proposition of May 9.

At the same time the French Government notes with satisfaction that the British Government agrees that it be kept informed of progress of the negotiations.

The French Government will be constantly alert to continue the exchanges of views with the British Government so that in the course of negotiations the greatest attention can be given to the British point of view. The aim will be to permit Britain to join or associate itself with the common effort at the time it may consider it possible.

#### BRITISH COMMUNIQUE

His Majesty's government in the United Kingdom have from the outset welcomed the French initiative of May 9 and have been fully alive to its bold character and far-reaching importance for future relations between France and Germany in particular.

They earnestly hope that the international discussions upon it may lead to a new era in Franco-German relations, with beneficial effects for western Europe as a whole.

His Majesty's government have been most anxious to be associated with these discussions and have made their position in this respect clear to the French Government from the outset.

It is their view that these discussions should serve to clarify the practical application of the French proposal, which must necessarily be worked out on an international basis, and they strongly desire to make a helpful, constructive, and practical contribution in the hope that a detailed scheme would emerge which they would be able to join.

They, themselves, are actively engaged in working on proposals inspired by the French initiative of May 9, in order that they may be ready to make such a contribution.

The French Government, for their part, have taken the view that the first step in the execution of their plan must be an international conference of countries prepared to accept a commitment in principle to pool their coal and steel resources and to set up a new high authority whose decisions would bind the governments concerned.

In the view of the French Government, the negotiations should be aimed, in the first instance, at the preparation of a treaty embodying these principles and establishing the high authority, to be submitted to ratification by Parliament.

His Majesty's government do not feel able to accept in advance nor do they wish to reject in advance, principles underlying the French proposal. They consider that detailed discussion, which would throw light on the nature of the scheme, and its full political and economic consequences, is a normal and, indeed, an essential preliminary to the conclusion of a treaty.

They feel that there is substantial difference of approach between the two governments as to the basis on which negotiations should be opened. An unhappy situation would arise if, having bound themselves to certain principles without knowing how they would work out in practice, they were to find themselves, as a result of the discussion, compelled to withdraw from their undertakings.

They have accordingly, to their regret, found it impossible, in view of their responsibility to Parliament and people, to associate themselves with the negotiations on the terms proposed by the French Government.

His Majesty's government are anxious to do their best to see whether a workable scheme could be produced that is fair and just to all concerned and they feel that this could best be furthered by a meeting of ministers of the countries interested, at which the question of the most effective and expeditious method of discussing the problem at issue could be examined and settled.

If the French Government were prepared to contemplate a fresh approach and arrange a meeting of ministers to reach agreement on a procedure for the opening of negotiations, His Majesty's government would be glad to participate and they have so informed the French Government.

Mr. WHERRY. Mr. President, if this plan is to become a reality, does not the Senator feel that if the steel and coal to be produced in the Ruhr are to be integrated by the six nations which have

already agreed on an international authority, an entirely different light would be thrown upon the conditions heretofore imposed upon German recovery as to the allocations upon which the German people might go forward? I ask the distinguished Senator, if that is true, does he not feel that it would be timely for the State Department immediately to make a review once again of the remaining industrial plants still to be dismantled and to call a halt on that process.

I agree that there are but a few left, I think about 10 percent, though the number as I recall is more than 100. If present conditions imposed on Germany are withdrawn and if this integration is to be brought about by these countries, the industrial potential of Germany will certainly be improved. If it is, why cannot the countries that are entering into this agreement agree to discontinue further dismantling of plants which are necessary for German recovery? If they do not, and this plan becomes a reality, I know of no other country except the United States that would be able to furnish the money to rebuild the very plants which will be dismantled under the so-called Petersberg Agreement, plants which will be absolutely needed to carry out the integration looking toward the industrial recovery of the German people. I ask that question of the distinguished Senator.

Mr. STENNIS. I think the Senator from Nebraska is entirely correct that this plan, if it becomes operative, will change the entire picture. It provides a new set of facts, and, necessarily all major policies relative to the subject matter would have to be reconsidered. But there is a way out, and it can be done.

Mr. WHERRY. Mr. President, if the Senator will yield further for a question, does he not feel that it would be timely for the Members of the Senate to ask the State Department to make such a review?

Mr. STENNIS. I certainly do. In the remarks I made this morning, I expressed the hope that every Member of Congress would come forward with a statement of his position. I think that would be the most powerful factor in the entire picture in assuring success of the plan.

Mr. WHERRY. I thank the distinguished Senator for yielding to me, and I also want to thank the distinguished Senator from Delaware for consenting to withhold his remarks to enable me to address these two questions to the distinguished Senator from Mississippi.

In conclusion, I should like merely to make a brief observation. This is of course but an idea. We do not yet know exactly what is involved. Certainly I do not want such an international authority as would socialize the industry of all these nations. In saying that I am speaking merely for myself. But the point I make is that if this is ever to be done, certainly the time is ripe for doing it now. The review should be asked for. In the meantime, not another plant should be dismantled. It seems to me it would be completely contradictory to require the American taxpayer to furnish



the money with which to build plants that might be dismantled under the present program in order to accomplish the very integration of which the Senator speaks.

Mr. STENNIS. And if the plan is to be successful, although the United States does not want to underwrite the plan, we necessarily must have a part in its functioning.

Mr. WHERRY. I may say to the distinguished Senator, that is one of the questions that was asked this morning. There was some question as to what part the United States would play. As I understand, the United States will not be a member of the international authority.

Mr. STENNIS. No.

Mr. WHERRY. On the other hand, we still have supervisors, and not only that, we also have Mr. McCloy, who is the overriding authority for the American Government. The British and French Governments are still represented, with equal authority. There would, of course, have to be total agreement. One of the reasons why dismantling has not been completely discontinued is that authority has been exercised by the supervisors for Great Britain and France. But in my humble opinion the proposal which has been adverted to by the Senator from Mississippi in the course of his observations, if it became a reality, will go beyond the stage of a mere idea. We should certainly consider it from all angles and we should not create a worse situation. It seems to me that until this matter is decided, the least that could be done would be to call a halt in the dismantling of plants, with the idea that when the conditions which have been imposed are lifted from the German people, so they can make a complete recovery, we would not have to build plants to take the place of those now being dismantled.

Mr. STENNIS. Mr. President, I yield the floor.

#### BURIAL AND EDUCATIONAL BENEFITS TO FILIPINO VETERANS OF WORLD WAR II

Mr. LEHMAN. Mr. President, one of the danger points in the world scene today which has only recently begun to attract our attention is the Philippine Republic. The fact that we are beginning to awaken to the perils which confront that Republic of 19,000,000 people to whom we gave independence is good. Let us hope that we are not too late.

It is unfortunate that we have overlooked the course of events in the Philippines in our concentration on other areas, including China and Japan. For the fact of the matter is that the Philippines had and still has promise of being the best show window for democracy in the Far East, and indeed in the world. Here are a brown-skinned people thoroughly committed to our way of life and even our political and social institutions by choice and by preference. They are the only exponents in the world, outside our own continent, of American-type democracy.

Therefore it is essential that we show by constructive measures—to an even greater extent than we have in the past—that we certainly intend to discharge all

our obligations to our Filipino friends who certainly have well discharged their obligations to us. I am proposing today certain legislative steps whereby the Congress can honor one of our obligations to the Philippines.

I have today introduced two bills providing certain benefits, analogous to some of the benefits of the GI bill of rights, for Filipino veterans who served under the American flag with members of the United States Armed Services in the Far East.

The grant of these benefits to the Filipino veterans is long overdue. Many of these men fought shoulder to shoulder with American troops under the same command and in the same operations. They were fighting under the American flag for the restoration of American sovereignty in the islands. They fought so that the United States could redeem its promise to return and wrest the islands from the Japanese.

They had been promised by General MacArthur and by others in authority the same pay and benefits as was granted to American soldiers. They were, along with the other American forces in that area, a part of the military organization known as the United States Armed Forces of the Far East, under the command of General MacArthur.

Even while the fighting was going on, the Filipino troops were officially and specifically promised that they would receive all the benefits of the GI bill of rights that American soldiers were to receive. That promise was not kept.

Many of these Filipino soldiers fought for long months as guerrillas against the Japanese. The Filipino guerrillas fought under the orders of General MacArthur in organizations authorized by him and deployed by him. Yet the Seventy-ninth Congress saw fit to provide in a rider to an appropriation bill, that these veterans should not receive GI benefits nor any of the benefits to which American veterans were and are entitled.

Since that time, hospitalization benefits have been provided for Filipino veterans. But all the other benefits to which they should have been entitled have not been granted them.

My two bills are designed to grant in diminished measure two of the benefits which American GI's enjoy—the burial benefit and certain educational privileges. One of the two bills I have introduced would provide for a burial benefit of \$75, which is considerably less than that provided for American veterans. The Veterans' Administration would also be authorized to provide an American flag in which to drape the casket of Filipino veterans on their death. These men who fought so nobly and so gallantly under the American flag should certainly be entitled to this.

My second bill would provide individual grants of \$32.50 per month for periods not in excess of 3 years for a maximum total of 50,000 Filipino veterans, to permit them to continue their education. The administrative details would be left to be worked out by the President of the United States through the Veterans' Administration which now maintains a regional office in Manila.

Mr. President, we have been hearing much about the alleged failure of our policy in China and the dangers we face in the Far East. We have read a good many reports recently about disturbances in the Philippines where our armed forces have and maintain bases by formal compact with the Philippines—the only independent nation in the world which freely allows us to have our own bases under a long-term lease in their home territory.

The Philippines, moreover, is the far eastern outpost of democracy. It is the only country in the world which has a governmental system and institutions exactly modeled on our own.

There could be no greater calamity, not only to the interests of the United States but to the cause of world democracy, than to have democracy fail in the Philippines.

The Filipinos who fought under our flag in the last war—and there were some 300,000 of them—are proven fighters for democracy. We should not only honor all our obligations to them but we should do even more to show our gratitude to them and our interest in them, not only in their country but in them personally.

I hope that the appropriate Senate committees will give early and prompt consideration to these measures and that the Senate will approve them without delay.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. BUTLER. Mr. President, I should like permission to ask a question of the Senator from Minnesota [Mr. THYE], who yesterday made a statement concerning the pending bill in which I am very much interested. I appreciate the statement which was made yesterday by the Senator from Minnesota. I merely want to confirm the fact that a subcommittee will be maintained for continued observation of the handling of Government owned agricultural commodities. That objective was referred to by the subcommittee in making its report on House bill 6567. Has such a committee been appointed?

Mr. THYE. I have not seen anything about the naming of the committee, but, under a provision of the bill, if the bill is passed, such a committee would be called for. Of course, the bill is still before the Congress for action.

Mr. BUTLER. Perhaps the senior Senator from Louisiana could answer that question.

Mr. ELLENDER. The subcommittee which was to be selected to hold hearings has been appointed. The committee consists of myself, the Senator from Illinois [Mr. LUCAS], the Senator from Florida [Mr. HOLLAND], the Senator from Vermont [Mr. AIKEN], and the Senator from Minnesota [Mr. THYE].

Mr. BUTLER. That is the subcommittee of which the Senator is chairman, is it not?

Mr. ELLENDER. That is correct. The subcommittee was agreed to when the



pending measure was ordered reported to the Senate.

Mr. BUTLER. Mr. President, I want to say that the grain dealers of the country, not only the individual operators, the old-line operators, as they are usually referred to, but the cooperative elevator companies, are keenly interested in the measure.

I should like to read into the RECORD a short telegram from the Equity Union Grain Co., a company which operates cooperative elevators in Kansas and Nebraska quite generally, and perhaps in some outside areas. The telegram reads as follows:

KANSAS CITY, MO., June 5, 1950.

HON. HUGH BUTLER,

Senate Building, Washington, D. C.:

When H. R. 6567 comes up for debate we recommend the maintenance of a subcommittee to observe CCC policies in handling price support commodities. Firmly believe private grain trade can be beneficially utilized in handling commodities taken over by CCC.

EQUITY UNION GRAIN Co.,  
OTTO B. PECHA.

The same sentiment has been expressed by many other cooperative dealers in the Central West. I am pleased to note that the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER], included in his report yesterday a statement to that effect.

Mr. ELLENDER. That is correct. The entire statement appears on page 5 and at the top of page 6 of the committee report.

Mr. BUTLER. Mr. President, I want to make it plain that the remarks I made are not to be interpreted in any way as a criticism of Commodity Credit Corporation or its policies in the past. I have always supported the Commodity Credit program. I think there may be some question in the minds of cooperative grain dealers throughout the country, as well as independent grain dealers, that there is an attempt to take over the grain trade as such. Personally, that is not my idea. I am sure the Commodity Credit Corporation would not attempt to replace the grain dealers under some new plan it wishes to formulate. The only purpose of the subcommittee provided for in the bill will be to see that the Commodity Credit Corporation, in the operation of its program, does make use to the limit practicable of the facilities of the cooperative grain trade and the grain trade in the future.

Mr. WILLIAMS. Mr. President, I should like to refer briefly to the question just raised by the Senator from Nebraska. I understand he has expressed concern with regard to what might be called nationalization of the grain industry. For his information I should like to read a statement from a so-called confidential report issued by the Department of Agriculture which I previously called to the attention of the Senate. This report was denied at the time, although it is rather significant that practically everything outlined in

the report is now being placed into effect. From page 2 of the report which was issued last year, I read the following:

To meet the critical storage situation which is almost certain to develop when the 1949 grain crops begin to move to market, a program must be initiated at once and completed this year to provide for the construction of not less than 150,000,000 bushels of Government-owned and Government-operated trackside-storage facilities, principally in the heavy-producing areas of the Corn Belt. By "trackside storage" is meant storage structures from which grain may be loaded directly into railroad cars. The further expansion of Government grain-storage facilities to a capacity of at least 500,000,000 bushels for corn and wheat alone, should be planned for completion within the next 3 years.

I continue to read from the report:

If an international wheat agreement should become operative, the program would have to be expanded to provide for an additional 100,000,000 bushels of Government wheat-storage facilities in order to assure dependable supplies for export to participating importing countries.

The report concludes with this statement:

A grain-storage program of a magnitude and an expedient nature such as the proposed program involves should be carried out and operated as a Government project under the jurisdiction of the Commodity Credit Corporation.

There is no secret about it. The Commodity Credit Corporation and the Department of Agriculture for the past 15 or 18 months have been operating a program to nationalize the grain industry. They testified before the committee last year that they were planning a storage capacity of only 150,000,000 bushels. However, at the same time they were laying plans for storage capacity of 500,000,000 bushels and then making arrangements to carry out these plans.

This report which was mailed out to their keymen last year, stated that the report was to be kept strictly confidential and under no conditions was it to be made available to any Member of Congress.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Mr. President, I am interested in the quotation which the Senator from Delaware has placed in the RECORD. As he says, I think it was printed in the RECORD some months ago.

Mr. WILLIAMS. It was, although the Department of Agriculture denied at that time such plans. Since that time, however, every statement in it has been confirmed.

Mr. BUTLER. I understood the Senator to say that they denied the accuracy or the authenticity of this report.

Mr. WILLIAMS. They admitted the fact that the report had been written. They could not deny that. They could not deny that fact because I had the report, and the report was written on their stationery and was signed by the Secretary of Agriculture. Therefore, they could not deny its existence. However,

they said that they had surveyed it and had decided that they would not use it. I disputed that fact at that time because of information I had received and also because at that time the Department had men in the field making a survey of storage facilities for so many hundred million bushels of soybeans, corn, and wheat. They outlined the whole program of how they would work in the next 3 years for nationalization.

Mr. BUTLER. Would funds provided for by this bill be available for construction of additional storage facilities?

Mr. WILLIAMS. I am not an attorney, but, in my opinion, the enactment of this bill would in no way affect the policy of the Department of Agriculture. I think the Department of Agriculture won its battle last year. At that time they obtained the authority, and they are now exercising it. Unless they are checked the nationalization of the grain industry and storage facilities will be effected.

Mr. BUTLER. I think the Senator heard the discussion between the Senator from Nebraska and the Senator from Louisiana [Mr. ELLENDER] regarding the appointment of a subcommittee to keep track of the operations of the Commodity Credit Corporation's warehousing program. Does the Senator think that would be a good idea?

Mr. WILLIAMS. I do not know whether it would be a good idea to appoint a committee to keep track of them. I think we should appoint a committee to keep ahead of them.

Mr. President, at this time, on behalf of myself, the Senator from New York [Mr. Ives], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. HENDRICKSON], the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from Vermont [Mr. FLANDERS], and the Senator from Washington [Mr. CAIN], I offer and send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER (Mr. HOEY in the chair). The amendment will be read.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That paragraphs (1) and (2) of subsection (d) of section 101 of the Agricultural Act of 1949 (Public Law No. 439, 81st Cong.) are hereby repealed.

Mr. WILLIAMS. This amendment proposes to strike out that section of Senate bill 2826 which would increase the borrowing power of the Commodity Credit Corporation by an additional \$2,000,000,000, and to insert in its place a proposal to repeal, effective immediately, the existing 90 percent minimum support guaranty on the so-called "basic" commodities. Under our amendment this is accomplished by advancing the effective date of the flexible provisions of the Anderson Act from January 1, 1952, to become "effective immediately."

Under the existing law the Commodity Credit Corporation has the authority to



use the credit of the United States Government in borrowing \$4,750,000,000. As of January 31, 1950, the Corporation had committed about \$4,000,000,000 of this borrowing capacity. During the past 12 months the commitments of the Commodity Credit Corporation have increased \$1,900,000,000 or from \$2,031,000,000 in January 1949, to \$3,947,000,000 in January 1950.

During the past 20 months, that is June 30, 1948, to February 28, 1950, the commitments of the Commodity Credit Corporation have increased at an average monthly rate of \$160,000,000. At this time, I ask unanimous consent to have inserted in the RECORD a chart showing the graduated increases in the commitments on a monthly basis for the past 20 months.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Total commitments of the Commodity Credit Corporation in the price-support program under loans and inventories as of last day of month*

	Value
1948:	
June <sup>1</sup> .....	\$289, 106, 230. 24
July .....	269, 030, 883. 03
August .....	313, 260, 740. 74
September .....	510, 565, 946. 47
October .....	938, 022, 876. 55
November .....	1, 284, 695, 194. 45
December .....	1, 858, 988, 764. 25
1949:	
January .....	2, 031, 395, 201. 35
February .....	2, 100, 708, 687. 29
March .....	2, 185, 122, 595. 30
April .....	2, 218, 296, 282. 69
May .....	2, 237, 238, 131. 50
June .....	2, 372, 543, 489. 86
July .....	2, 450, 201, 874. 54
August .....	2, 680, 470, 432. 12
September .....	2, 894, 305, 973. 15
October <sup>2</sup> .....	3, 148, 577, 434. 67
November .....	3, 370, 189, 273. 37
December .....	3, 645, 129, 317. 13
1950:	
January .....	3, 947, 423, 790. 14
February .....	4, 036, 175, 000. 00

<sup>1</sup> First projection of the 90-percent support level under the Aiken-Hope Act.

<sup>2</sup> Second projection of the 90-percent support level under the Anderson Act.

Mr. WILLIAMS. In addition to this accumulation of over \$4,000,000,000 investments in agricultural commodities during the past 20 months, our Government gave away at home and abroad an additional \$3,500,000,000 worth of agricultural commodities. On March 21, 1950, I inserted in the CONGRESSIONAL RECORD a chart which appeared on page 3795, giving a break-down by commodities of \$3,460,000,000 which had been distributed between June 30, 1948, and December 31, 1949. In addition to this amount we find that during January and February 1950, our Government has given away at home and abroad an additional \$241,513,145 worth of agricultural commodities, and at this point I ask unanimous consent to have inserted in the RECORD a chart showing a break-down by commodities of this 2-month give-away program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Over-all cost of the farm-support program to the taxpayers for the 2-month period, January and February 1950*

Commodity	Net program <sup>1</sup> results as reported by CCC	Sec. 32 <sup>2</sup>	Sec. 6 <sup>3</sup>	Occupied areas <sup>4</sup>	ECA (grants only) <sup>5</sup>	Total
Corn .....	\$4, 151, 705			\$529, 000	\$2, 958, 000	\$7, 638, 705
Wheat <sup>6</sup> .....	1, 757, 298	\$516, 172		21, 798, 000	66, 903, 000	90, 974, 470
Barley .....	7 48, 946				3, 567, 000	3, 518, 054
Rye <sup>7</sup> .....	2, 247					2, 247
Soybeans <sup>8</sup> .....	136, 120			4, 986, 000	1, 653, 000	6, 775, 120
Cotton <sup>9</sup> .....	798, 566	50		30, 114, 420	29, 493, 000	60, 406, 066
Tobacco .....	7 38, 973				9, 657, 000	9, 618, 027
Potatoes <sup>11</sup> .....	8, 890, 063	1, 670, 268				10, 560, 331
Eggs .....	81, 093	968, 465			1, 131, 000	2, 180, 558
Milk <sup>12</sup> .....	1, 026, 763	216, 686			1, 392, 000	2, 635, 449
Peanuts <sup>13</sup> .....	2, 251, 611	616, 462	\$107, 048		261, 000	3, 236, 121
Other <sup>14</sup> .....	7, 050, 564	9, 614, 360	2, 297, 535	736, 972	24, 273, 000	43, 972, 491
Total .....	26, 053, 617	13, 602, 493	2, 404, 643	58, 164, 392	141, 288, 000	241, 513, 145

<sup>1</sup> From Commodity Credit Corporation's Report of Financial Conditions and Operations as of Feb. 23, 1950.

<sup>2</sup> Expenditures under sec. 32 of the Agricultural Adjustment Act of 1935.

<sup>3</sup> Expenditures under sec. 6, National School Lunch Act.

<sup>4</sup> Amounts invoiced to the Army for deliveries of commodities for export to occupied areas; not for consumption by U. S. armed services.

<sup>5</sup> Provides for all procurements in United States—either available directly to foreign countries for purchase or made available to procurement agency of U. S. Government.

<sup>6</sup> Includes wheat flour.

<sup>7</sup> Gain.

<sup>8</sup> Includes rye flour.

<sup>9</sup> Includes soybean oil.

<sup>10</sup> Includes cottonseed and cottonseed oil.

<sup>11</sup> Includes potato flour and potato starch.

<sup>12</sup> Includes dried whole milk, dried skimmed milk, and evaporated milk.

<sup>13</sup> Includes peanut butter.

<sup>14</sup> Includes butter, cheese, grain sorghums, oats, rice, flaxseed, lard, linseed oil, tallow, tung oil, apricots, dates, figs, peaches, prunes, raisins, sorghum starch, dry beans, dry peas, honey, sugar, miscellaneous seeds, canned fruit and fruit juices, canned vegetables, meat, fish and fish products, wool, alcohol, sweetpotatoes, pears, citrus fruit, apples, etc.

Mr. WILLIAMS. As in previous instances the Commodity Credit Corporation, in boasting of a small loss on this give-away program, is not telling the taxpayers the entire story. For instance, as can be seen from the chart just inserted, during January and February of this year, the Corporation showed a loss of \$26,000,000, but an examination of their operations shows that this smaller loss was only possible by virtue of the fact that over \$215,000,000 worth of agricultural commodities which had been given away by the Government were charged against the appropriations of other governmental agencies.

So far as the taxpayers are concerned the agricultural program during the first 2 months of this year is as follows:

Between December 31, 1949, and February 28, 1950, our investments in agricultural commodities, under loans and inventories, were increased by \$291,045,685.87.

In addition to this increased accumulation of agricultural commodities during the same 2-month period we gave away at home and abroad at the American taxpayers' expense additional agricultural commodities costing \$241,513,145. In view of this, earlier this year I would have said that the Corporation would need this additional \$2,000,000,000 requested unless the support prices were lowered. However, since that time certain developments have occurred chief among which is the drastic downward revision in the Department's estimate for the winter-wheat crop. This now raises the question as to whether or not these funds will be needed. There is, however, no question but that if Congress will lower the support prices to a more realistic level this \$2,000,000,000 absolutely will not be needed.

We should repeal, effective immediately, the 90-percent minimum support by making the flexible provisions of the Anderson Act effective immediately instead of waiting until January 1, 1952. This reduction in the support prices of the basic commodities would automatically result in an across-the-board lowering in the support for all commodities since one of the factors in determining the support price for any commodity is its relationship to all other basic commodities.

Mr. President, I pointed out yesterday that the distinguished majority leader, along with the Senator from New Mexico [Mr. ANDERSON], who formerly was Secretary of Agriculture, defended this principle on the floor of the Senate last October. At that time the existing 90-percent support program was being denounced from both sides of the aisle. And I call attention to the fact that last October the majority leader [Mr. LUCAS] voted for the principles embodied in our amendment.

Mr. President, the argument has been advanced that Congress by repealing the 90-percent support level at this time might be violating a promise to the American farmers in the midst of a crop year since the winter wheat crop is on the verge of the harvesting season. I point out the fact that at the time this winter wheat crop, which is now ready for harvesting, was planted, we were operating under the provisions of the Hope-Aiken Act, a law under which they were scheduled to obtain a lower support price as of January 1, 1950, than is provided for under the flexible provisions of the Anderson Act. Regardless of what action the Congress takes on the amendment, which I am offering here today, the farmers will still be receiving a higher support price than they were



promised by the Government at the time they planted their wheat last fall. As far as the rest of the crops affected are concerned, we are in the midst of the planting season, but the farmers still have ample time to reduce their acreage if they wish.

I have stated previously, and I repeat, that I do not think that even the adoption of our amendment would provide the ultimate answer to our farm-support program. However, it is a step in the right direction. Nor do we claim that its adoption would mean a net savings to the taxpayers of the full \$2,000,000,000, even though it would eliminate the necessity for extending the \$2,000,000,000 authority to the Corporation. Yet no one will question the fact that with the adoption of this amendment substantial savings approximating \$1,000,000,000 would be made to the taxpayers.

On March 21 of this year, I called to the attention of the Senate the fact that during the past 18 months alone the Government had spent nearly \$7,500,000,000 purchasing agricultural commodities which in turn were withheld from the markets. Of this amount, nearly \$4,000,000,000 worth of commodities were held in inventories and under loans as of January 31, 1950, while the additional \$3,500,000,000 worth were given away either at home or abroad. On that date, I inserted in the RECORD two charts which gave a breakdown of these expenditures by commodities. These charts appear on page 3795 of the CONGRESSIONAL RECORD of March 21, 1950.

Neither Congress nor the Department of Agriculture has any plan whereby we can dispose of this \$4,000,000,000 worth of agricultural commodities, which at the present time is rapidly deteriorating in our warehouses and caves. I think that it is inexcusable that we today should even consider authorizing the Commodity Credit Corporation to further increase these unwieldy inventories by another \$2,000,000,000 during the next 12 months.

Every Member of Congress recognizes the fact that the continuation of this absurd policy another 12 months will not solve the problem. We are merely postponing the day of reckoning. Unless we act now, 1 year from now we will have the same unsolved agricultural problem, only then we might well have \$6,000,000,000 of the taxpayers' money tied up in surplus agricultural commodities instead of \$4,000,000,000.

The wholesale waste and destruction of food which inevitably accompanies such an unsound program is becoming obnoxious to the American people, and unless the Senators representing the farm States recognize this situation and agree to have the support prices on these commodities lowered to a more realistic level, they will soon find themselves with no farm program whatever.

These high support prices cannot be justified to the American housewives, who for the past 2 years have seen the Government hold the price of agricultural commodities at an artificially high level—by withholding from the market—or at times destroying huge quantities of foods. This was particularly

hard for them to understand when, at the same time, they were having a hard time providing the necessities of life for their families.

During the past 4 years years our Government has spent billions for the announced purpose of checking the spread of communism throughout the world, yet no amount of money which we spend at home or abroad can check the acceptance of the principles of communism or any other "ism" by an American citizen who witnesses this unwarranted destruction of good edible foods when his family is hungry.

The principal farm organizations of this country recognize this danger and have endorsed the principle of lower support prices as provided under the flexible provisions of the law. They would rather have lower support prices put into effect immediately than face the danger of losing their farm-support program entirely.

Mr. President, some argue that those of us who favor this amendment which proposes to lower these prices are trying to destroy the farm-support program, but I point out that the adoption of our amendment, while it would result in an over-all lowering of the support prices, would still leave, in many instances, a support price on most agricultural commodities actually higher than the farmers received for those same commodities during the past 10 years. For instance, under the 90-percent formula, cotton is supported at 27 cents per pound, while under the flexible formula, if our amendment were adopted, cotton would be supported at a range between 22 cents and 27 cents, depending upon the national supply. The average price which the farmers have received for cotton during the past 10 years is only 22½ cents per pound. So even at the minimum figure under the flexible formula farmers still would have a good support price, more than they have been receiving.

The wheat farmers are today receiving a support price of around \$1.92 per bushel. Under the flexible formula, the price could drop as low as \$1.60 per bushel. This minimum price of \$1.60 would still be 11 cents per bushel higher than the average price which the western farmer received for wheat during the past 10 years. This minimum price of \$1.60 per bushel, as provided for under the flexible formula, is also about 50 cents over the average cost of production.

During the past 10 years we find that the average price the farmers received for corn was \$1.16 per bushel. Today corn is being supported at a basis of \$1.40 per bushel. If the amendment offered here today were adopted, corn would be allowed to fluctuate as low as \$1.22 per bushel, which again is higher than the past 10-year average price for corn and far above the cost of production.

The same thing is true as to practically every other commodity affected under our amendment.

I have yet to hear any Member of Congress or the Secretary of Agriculture give any justification for the continuation of the Government's spending billions of dollars annually to support agri-

cultural commodities at prices higher than at wartime level. These high support prices were authorized during the war for the sole purpose of encouraging increased production at a time when the country needed all the food it could obtain. It was never the intention of Congress that these high support prices should be projected over into a peacetime economy, and the only reason that they have been so projected is that neither the administration nor the Congress has as yet had the courage to face the cold facts and tell the American farmers that the program must be modified. So far the administration has been more interested in buying the votes of the American farmers than they are in promoting an economically sound agricultural program.

Unless Congress reduces governmental expenditures during the current fiscal year below the budgetary estimates, we are going to close our books next July with a deficit in excess of \$6,000,000,000. The American taxpayers are becoming impatient with the continuation of the wartime excise taxes, and are insisting upon either a reduction or an outright repeal; but the taxpayer is only being kidded if he believes that he is going to obtain any worth-while reduction in taxes prior to a reduction in governmental expenditures. So far we have made very little progress toward reducing these expenditures. The amount involved in this vote this afternoon on the pending amendment would save the taxpayers enough money to enable us to repeal many of these excise or nuisance taxes without increasing our deficit, and at the same time give the farmers a sounder agricultural program.

I would suggest that if American taxpayers want to know just how sincere their representatives are in promising a reduction in the cost of government and a reduction in these excise taxes, they check the votes here this afternoon.

Practically every Member of the Senate since the convening of the second session of the Eighty-first Congress has made an eloquent speech on the floor of the Senate pleading for economy in order that we might reduce excise taxes and balance the budget, but the American taxpayers have long since learned that political speeches alone promising economy are not enough, it is how we vote that really counts.

The vote on the amendment this afternoon is a vote not only for a better and sounder farm program, but also a vote for the saving of around \$1,000,000,000 to the American taxpayers during the next 12 months. It is a vote which will check this obnoxious policy of a planned destruction of food to create artificial shortages. A vote for our amendment lowering the support prices will automatically provide lower prices to the American housewives, and the increased consumption which follows such a reduction in prices will have a tendency to start our unwieldy inventories moving in the normal channels of trade, and remove the necessity of the two-billion increase to be voted on today.

There is no use kidding the American housewife. She is never going to pur-



chase her groceries at lower prices under any agricultural program, regardless of its name, until the support prices to the American farmer are reduced accordingly.

The Secretary of Agriculture, Mr. Brannan, during recent months, has been trying to make political capital by promising the farmers increased support prices, and at the same time promising housewives lower prices. Then he has the effrontery to tell the American taxpayer that this will cost less. To hear Mr. Brannan explain his utopian farm program reminds me of an inventor's dream of how he plans to place in operation the machine of perpetual motion. While it is admitted that either idea has a lot of appeal, yet in both instances we are confronted with the same problem; namely, that the sponsors themselves have not the slightest idea of how to make their plan work.

The cold facts of the situation are that no agricultural program under any name will ever work during peacetime which proposes to support any agricultural commodity at a price higher than the cost of production. The sooner this principle is recognized and the program reduced accordingly, the better it will be for the American farmers, consumers, and taxpayers. The adoption of this amendment here this afternoon would be a major step in that direction.

Mr. President, in conclusion let me say that while I come from one of the Eastern States I think I am qualified to speak so far as agriculture is concerned, because the county in which I live ranks third in agricultural production among the counties east of the Rocky Mountains. In agricultural production we out-rank any county in any of the States which are represented on the two Agricultural Committees. Entirely too many Members of the Senate think that all of the farmers are located in the Mississippi Valley and the South. Our farmers in the East are just as important to the economy of this country as are the western farmers, and they are being bankrupted under this existing policy of supporting western grains at artificially high levels.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Fulbright	Martin
Bricker	Gillette	Morse
Byrd	Ives	Mundt
Donnell	Knowland	Stennis
Dworshak	Leahy	Williams
Ellender	McCarthy	
Frear	McClellan	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BUTLER, Mr. CAIN, Mr. CORDON, Mr. DOUGLAS, Mr. ECTON, Mr. HENDRICKSON, Mr. HILL, Mr. KEM, Mr. LONG, Mr. LUCAS, Mr. MAGNUSON, Mr. MAYBANK, Mr. McKELLAR, Mr. McMAHON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. THOMAS of Utah, Mr.

THYE, Mr. TYDINGS, Mr. WATKINS, and Mr. WHERRY answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. DOUGLAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. BREWSTER, Mr. CAPEHART, Mr. CHAPMAN, Mr. CONNALLY, Mr. FERGUSON, Mr. FLANDERS, Mr. GEORGE, Mr. GREEN, Mr. HAYDEN, Mr. HOEY, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. KEFAUVER, Mr. KILGORE, Mr. LANGER, Mr. LEHMAN, Mr. LODGE, Mr. MALONE, Mr. MCCARRAN, Mr. MCFARLAND, Mr. MILLIKIN, Mr. MURRAY, Mr. NEELY, Mr. O'MAHONEY, Mr. PEPPER, Mr. ROBERTSON, Mr. TAFT, Mr. TOBEY, Mr. WITHERS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and other Senators.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were ordered.

#### TIDELANDS OIL CASES—SUPREME COURT DECISIONS

Mr. McCARTHY obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Wyoming?

Mr. McCARTHY. I am glad to yield.

Mr. O'MAHONEY. Mr. President, yesterday the Supreme Court of the United States handed down two important decisions involving the marginal sea and the resources thereunder. One was in the case of the United States against the State of Louisiana, the other, in the case of United States against the State of Texas. Both decisions are of the utmost importance for the consideration of Members of Congress, and I ask unanimous consent that they may be printed in the body of the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the decisions were ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—No. 12, ORIGINAL—OCTOBER TERM, 1949—THE UNITED STATES OF AMERICA, PLAINTIFF, v. THE STATE OF LOUISIANA—MOTION FOR LEAVE TO FILE COMPLAINT AND COMPLAINT (June 5, 1950)

Mr. Justice Douglas delivered the opinion of the Court:

"The United States by its Attorney General and its Solicitor General brought this suit against the State of Louisiana, invoking our jurisdiction under article III, section 2, Cl. 2

of the Constitution which provides 'In all cases \* \* \* in which a State shall be a party, the Supreme Court shall have original jurisdiction.'

"The complaint alleges that the United States was and is 'the owner in fee simple of, or possessed of paramount rights in, and full dominion and power over, the lands, minerals, and other things underlying the Gulf of Mexico, lying seaward of the ordinary low-water mark on the coast of Louisiana and outside of the inland waters, extending seaward 27 marine miles and bounded on the east and west, respectively, by the eastern and western boundaries of the State of Louisiana.'

"The complaint further alleges that Louisiana, claiming rights in that property adverse to the United States, has made leases under her statutes to various persons and corporations which have entered upon said lands, drilled wells for the recovery of petroleum, gas and other hydrocarbon substances, and paid Louisiana substantial sums of money in bonuses, rent, and royalties, but that neither Louisiana nor its lessees have recognized the rights of the United States in said property.

"The prayer of the complaint is for a decree adjudging and declaring the right of the United States as against Louisiana in this property enjoining Louisiana and all persons claiming under it from continuing to trespass upon the area in violation of the right of the United States, and requiring Louisiana to account for the money derived by it from the area subsequent to June 23, 1947.

"Louisiana opposed the motion for leave to file the complaint, contending that the States have not consented to be sued by the Federal Government and that *United States v. Texas* (143 U. S. 621), which held that article III, section 2, Cl. 2 of the Constitution, granting this Court original jurisdiction in cases 'in which a State shall be a party,' includes cases brought by the United States against a State should be overruled. We heard argument on the motion for leave to file and thereafter granted it. (337 U. S. 902, rehearing denied, 337 U. S. 928.)

"Louisiana then filed a demurrer asserting that the Court has no original jurisdiction of the parties or of the subject matter. She moved to dismiss on the ground that the lessees are indispensable parties to the case; and she also moved for a more definite statement of the claim of the United States and for a bill of particulars. The United States moved for judgment. The demurrer was overruled, Louisiana's motions denied, and the motion of the United States for judgment was denied, Louisiana being given 30 days in which to file an answer. 338 U. S. 806.

"In her answer Louisiana admits that 'the United States has paramount rights in, and full dominion and power over, the lands, minerals, and other things underlying the Gulf of Mexico adjacent to the coast of Louisiana, to the extent of all governmental powers existing under the Constitution, laws, and treaties of the United States,' but asserts that there are no conflicting claims of governmental powers to authorize the use of the bed of the Gulf of Mexico for the purpose of searching for and producing oil and other natural resources, on which the relief sought by the United States depends, since the Congress has not adopted any law which asserts such Federal authority over the bed of the Gulf of Mexico. Louisiana, therefore, contends that there is no actual justiciable controversy between the parties. Louisiana in her answer denies that the United States has a fee simple title to the lands, minerals, and other things underlying the Gulf of Mexico. As affirmative defenses Louisiana asserts that she is the holder of fee simple title to all the lands, minerals, and other things in contro-



tee and in the type of report the committee would make. At least I am sure he would not deny that they are honorable men, and ably qualified, and if they made a report upon a full investigation, having had the complete files before them when they made the investigation, they could report not only to this congressional body, but to the people of the United States, as to what the situation was, so far as disloyal and other unworthy employees within the Federal Government were. But if a new committee were named, and they were treated in the same manner in which the present committee has been treated, so far as the files are concerned, they could not report to us any more fully than could the present committee.

Mr. McCARTHY. Mr. President, I agree with the Senator in some of the things he has said.

It seems to me rather fantastic to read announcements that some new board of civilians will be appointed, who will have complete access to the files. I do not know why the President would trust some of his civilian employees with more material than he will trust to the present committee.

I wonder if the Senator from Minnesota is aware of the fact that none of the Senators who are examining the files can even take notes even though some of the files are as much as 4 or 5 inches thick, with hundreds of names in them?

Mr. THYE. Yes, I am aware of that; and it was for that reason I said that surely the President can put those Members on their honor and make available to them the full files, the full contents of the files, in order that the Members may know and may obtain that which they are seeking. It was for that reason I said the President should trust those men on their honor to examine the files in their full content.

I knew that request had been made of the Members not to make notes; that they could only examine the files and walk out, trusting that their memories were good enough to serve them respecting what was in the files. It was for that reason I said that I thought the President had been in error, that he had not shown the Members of Congress the courtesy to which they are justly entitled. Because of the fact that the people of this Nation has elected them, and that they have taken the oath of office to uphold the Constitution, they should be permitted to look at those files, and trusted as much as an employee, who has full access to the files, is trusted.

Mr. McCARTHY. I agree with the Senator wholeheartedly that, No. 1, unless the files are given to the committee, or some other committee, we can never have an intelligent report, and, No. 2, it is rather senseless to talk about giving some other committee the complete files and not entrusting them to the present committee.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. FERGUSON. The Senator has had on the floor photostatic copies of page 29 and part of page 30 of a report.

Mr. McCARTHY. Yes.

Mr. FERGUSON. There is a date on the photostatic copy. I wonder whether that matter was put officially into the RECORD.

Mr. McCARTHY. Yes; I placed it in the RECORD.

Mr. FERGUSON. I want to ask another question. On top of page 30 we find a blank, a name which has been crossed out.

Mr. McCARTHY. Yes.

Mr. FERGUSON. It says:

— states that by July 12 (the date of my interview) the number had been reduced to the following—

Then he goes on with the number 11 for agents, Communists 10, sympathizers 11, and suspects 74.

Is the Senator familiar with the fact that the United States Senate and the House passed the McCarran amendment which gave to the Secretary of State absolute discretion to discharge anyone from the State Department without cause, that is, without trial, that the bill was H. R. 6057, which was approved July 5, 1946? So from July 5, 1946, until July 12, either 1946 or 1947—and as indicated by the date on the photostatic copy, or, I would say, from the report, it would indicate that it was 1946—the Secretary of State had the right to remove all these persons, whether they were individual loyalty risks or not, and that there would have been no question raised as to their loyalty had he removed them, because he could remove them for any reason whatsoever if in his opinion their retention was detrimental to the United States of America.

Mr. McCARTHY. I agree with the Senator wholeheartedly. There is no question about the fact that the Congress had given the Secretary of State the power to take care of a situation just like this. He did not exercise that power. There is no question about that.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MUNDT. I should like to pursue my colloquy with my friend from Minnesota, because we find ourselves in agreement, No. 1, on the fact that the Senator from Wisconsin has rendered a public service in bringing this matter to the attention of the country. Certainly that is illustrated by the fact that the Amerasia case is finally being ventilated, and there is some hope that the public may know what actually occurred in it, whereas it had previously been successfully buried, before the Senator from Wisconsin started his current campaign.

I agree also that if we could get the files in the hands of the present committee we could then rely upon any unanimous report, if it were forthcoming from the committee.

The Senator from Minnesota knows, as does the Senator from South Dakota, that the President has refused to give the files to the committee. In view of that fact I wonder what the Senator from Minnesota would suggest as our next step as Members of the Senate in order to work this thing through to an orderly and satisfactory conclusion?

Mr. THYE. Mr. President, if the Senator would yield to me—

Mr. McCARTHY. I yield.

Mr. THYE. On April 3, in this Legislative Chamber, I said that the fears of the American people would never be allayed until such time as they knew that the files had been opened for examination by the committee upon whom the resolution placed the responsibility for making the examination. I said that previously and I have said it many times since.

Mr. MUNDT. I understand the President says "no." Where do we go from here?

Mr. THYE. My only thought—and I am sure I share the thoughts of all Senators—is that the whole purpose of our colloquy on the floor this afternoon is in the hope that the President may reexamine his own actions of the past few months, and that from such reexamination we may make a new start. My only hope, in the comment I made and in my support of certain statements that were made here on the Senate floor, was that we all should reexamine what we have endeavored to do, and what we have achieved in the past few months, insofar as loyalty in Government is concerned; that we may make a new start; that we may achieve our objectives with a minimum of involvement of those who may be innocent persons, and that at least we will not have a smudge over our entire Federal Government and over our entire State Department for an indefinite period, because that would be very injurious to our prestige as a Nation in the eyes of the peoples of the world. It is my hope, that while we are discussing the matter here today we might in some manner draw not only the attention of the country to the question, but also the attention of the President of this Nation, so that we might make a new start in our attempt to get the facts, which cannot be gotten unless the files are disclosed.

Mr. MUNDT. The Senator uses the first personal collective pronoun "we." If the Senator is talking about the Senators, I would certainly do everything I could in order that a new start can be made. I agree with the Senator's analysis of the problem, but we get back to the fact that unless we succeed in making the files available to the committee we are stymied. The matter will then have to be discussed publicly and the court of public opinion will have to decide it.

It seems to me the upshot of the Senator's argument is that unless the President of the United States makes these files available to the committee, or cooperates with both sides of the aisle in the United States Senate for the creation of a new commission in which confidence enough can be reposed so that the President will make the files available to its members—unless either one of those two things occurs, then I assume the Senator agrees the President must accept responsibility for the fact that this situation cannot be satisfactorily concluded.

Mr. THYE. No one could be responsible for that except the man who has



control of the files, and who denies the legislative committee the right to examine the files, or who may deny them to some responsible commission which may in the future be named, and which will have the responsibility of examining the files. No one can examine the files unless the President himself may choose to permit him to do so.

Mr. MUNDT. That is correct. The President has assumed that full authority.

Mr. THYE. For that reason there can be only one individual responsible in the ultimate end, providing that the files are kept closed to either congressional committees or some commission that may be formed in the future. That one man is the President.

Mr. MUNDT. That settles the question of pronouns to my entire satisfaction.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. CAPEHART. I want to ask the Senator a couple of questions about the "conscience group." Their conscience dictated to them to do—what? That the Senator drop the investigation? That the President of the United States show the files? Just what did their conscience dictate to them?

Mr. McCARTHY. Let me say that I have a great deal of respect for some of that group. I frankly would rather not discuss it.

Mr. CAPEHART. Let me ask the Senator whether they want him to stop the investigation, whether they want the President to show the files to the American people, or whether they want a new committee to be appointed. Just what do they want?

Mr. McCARTHY. Frankly, I do not know. So far as I am concerned, I will continue to do the best I can, in the best way I can.

#### SENATOR LANGER'S RECORD ON THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. LANGER. Mr. President, recently some paid political advertisements have appeared in the Grand Forks Herald, the Fargo Forum, the Devils Lake Journal, and possibly other newspapers, stating that I had nothing to do with the bringing of REA to our State.

Just why these attacks are made at a time when I am not even a candidate, is anyone's guess; but I think it is being done to hurt the Nonpartisan League, which is directly responsible for the bringing of rural electricity to North Dakota, as I was the Nonpartisan Republican Governor who signed the bill creating REA in our State. Evidently those making these attacks are inserting these political advertisements, believing they will hurt the League ticket which is headed by Tom Thoresen for United States Senator; Usher L. Burdick and Martin Stenehjem, for Congress; and Frank A. Vogel, for Governor, as all of these men are openly for public power owned by the people, and are against the private monopolies. These men believe that a farmer should get electricity at cost, and not to be bled white by a power

company, after the Government builds a dam.

In November 1948, Mr. Richard A. Dell, regional head of applications and loans division, Rural Electrification Administration, and I, traveled all over North Dakota, speaking to thousands of people to answer these false and malicious and unwarranted charges.

Mr. President, I am writing a letter to the people of North Dakota, and with the letter I am enclosing a copy of a speech, made by me on the floor of the Senate entitled "I Bring My Record on REA to Your Attention," being an answer to a letter written by Mr. P. K. Mastel, former coordinator of the Kem Electric Cooperative, Inc., Linton, N. Dak.

I may add that in 1940, in 1941, in 1942, in 1943, in 1944, in 1945, in 1946, in 1947, in 1948, and again in 1949, time and time again I made speeches on the floor of the Senate in favor of rural electrification; and later I was publicly commended by Claude Wickard, head of the REA, for my outstanding service to rural electrification in North Dakota. Up to this time \$90,000,000 has been loaned in North Dakota, with only the four States of Texas, Missouri, Minnesota, and Iowa receiving REA funds which total more than those North Dakota has received. By December 1950 I believe North Dakota will rank No. 1, in proportion to population, in terms of the number of farmers getting electric light and power.

I say to the people of North Dakota that if they will back me up, we will help them to get rural electrification light and power in North Dakota at cost.

Mr. President, let me add that I am sending this letter to the people of North Dakota in order to keep the record straight including a previous speech entitled "I Bring My Record on REA to Your Attention," to prove to them that political advertisements inserted by political opponents sometimes simply do not tell the truth.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. Do I correctly understand that the pending question is on agreeing to the amendment proposed by the distinguished Senator from Delaware [Mr. WILLIAMS]?

The PRESIDING OFFICER. That is correct.

Mr. ELLENDER. Mr. President, I shall not take long to discuss the amendment, except to say that should the Senate adopt the amendment, in my opinion, it would deal a mortal blow to the present farm program.

The purpose of the amendment of the Senator from Delaware is to strike from the bill the entire authorization of \$2,000,000,000 which we now are seeking, and to strike from the bill paragraphs 1 and 2 under paragraph (d) of the bill

enacted last year, known as Public Law 439.

Included in section 101 of the Agricultural Act of 1949—Public Law 439—Eighty-first Congress—which was approved by the President on October 31, 1949, are the following provisions:

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 percent of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) If producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 percent of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 percent of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect.

Elimination of these provisions from the Agricultural Act of 1949 would mean that for the years 1950 and 1951, producers of the basic crops—cotton, corn, rice, wheat, tobacco, and peanuts—would receive Government price support based on the sliding-scale formula in section 101, ranging from 75 to 90 percent. With respect to the 1950 crop in particular, the Government would be repudiating its promise of a 90 percent price support to producers of the basic crops—a promise that has been on the statute books since October 31, 1949. We would be repudiating that promise at a time when the farmers have already planted their crops or have made arrangements for planting them.

As I pointed out yesterday, due to the lack of funds by Commodity Credit Corporation, no 1950 price-support programs for the basic crops have been officially announced by the Secretary of Agriculture up to this time, but to the farmers, this official announcement is a mere formality. All of them have accepted the program written into the 1949 Agriculture Act as definite and binding, and have made their plans for 1950 plantings on the basis of a 90 percent support price.

Acreage allotments have been announced by the Secretary of Agriculture for 1950 on rice, corn, and wheat; acreage allotments and marketing quotas have been announced for 1950 on peanuts, cotton, and certain kinds of tobacco. All of the marketing-quota programs have been submitted to the farmers by referendum vote and approved by over two-thirds of the producers voting with respect to each crop.

Cotton plantings have already been completed in the lower half of the cotton belt—April 15 is the average date at which the lower half of the Cotton Belt has completed planting—and progress has been made in the upper half of the belt. Winter wheat for the 1950 crop has been planted since last fall. Most of the rice acreage has been planted, and peanuts have either been planted or are in process of being planted. Tobacco farmers have already planted their seed stock, preparatory to setting the plants out in the fields. The corn crop is



planted in the major producing areas. Even the farmers who have not actually planted their 1950 crops will be seriously affected if the 90-percent parity support price is knocked out. All of these farmers have made their plans for 1950: They have bought seed and fertilizer, leased land, borrowed money, arranged for farm labor, and in many instances, prepared the land for planting.

Mr. President, I hope the Senate will not adopt the pending amendment.

During the debate earlier this afternoon, the distinguished Senator from Delaware produced certain figures to show the losses sustained by the Commodity Credit Corporation. I shall not consume the Senate's time to answer those charges, but I ask unanimous consent to have inserted in the RECORD at this point a statement pointing out the facts with respect to the matter—a statement made by Mr. COOLEY, chairman of the House Agricultural Committee, on March 31, 1950. It appears in the CONGRESSIONAL RECORD of March 31, 1950, at pages 4586 to 4589.

Mr. WILLIAMS. Mr. President, I understand the Senator from Louisiana has asked unanimous consent to have inserted in the RECORD a statement by Mr. COOLEY.

Mr. ELLENDER. That is correct. I ask unanimous consent that the statement may be printed in the RECORD following my remarks.

Mr. WILLIAMS. Mr. President, I want to say to the Senator from Louisiana that if he wants to take exception to any of the figures I have placed in the RECORD, now is the time to do it, and he should do it himself. If he does not want to take exception to them, there is no point in inserting in the RECORD a statement by someone else. I will stand upon the accuracy of every figure I have placed in the RECORD. I obtained the figures from the Department of Agriculture and the Bureau of the Budget. I think it is true the Secretary did write to me, saying he thought there was a mistake made in the letter I wrote. He thought something in a question I asked in an effort to obtain the figures was somewhat misleading. I want to read the question I asked the Bureau of the Budget:

Would you please furnish me—

Mr. ELLENDER. Mr. President, I had not completed my remarks.

Mr. President, I desire to ask unanimous consent to have printed in the RECORD the statement by Mr. COOLEY, and I should like to call the attention of the distinguished Senator from Delaware to the fact that the statement is self-explanatory, that the figures submitted by Mr. COOLEY were the figures furnished him by the Commodity Credit Corporation. Does the Senator object?

Mr. WILLIAMS. Mr. President, reserving the right to object, I may say to the Senator from Louisiana I have no faith whatever in the figures of the Commodity Credit Corporation. I have stated that time and again. The Bureau of the Budget confirmed the statement I made. The Secretary objected to it. He

said there was something misleading in the question I asked. I want to read the question to the Senator from Louisiana, to see whether he thinks it is misleading.

Mr. ELLENDER. Mr. President, I withdraw the request.

Mr. WILLIAMS. I should like to complete the reading of this question, which the Secretary of Agriculture said was misleading. This was when I got the information that this program had cost several billions of dollars during recent years. I asked Mr. Frank Pace, Jr., who was the top official of the Bureau of the Budget at that time:

Would you please furnish me at the earliest possible date the net results, from a taxpayer's standpoint, of the operations of the Commodity Credit Corporation since its inception in 1933 to the latest date you have available.

The only thing misleading about it is that for 20 years no one in the Congress had ever asked about the cost of the program, from the taxpayers' standpoint. The answer of the Bureau of the Budget was that it had cost \$3,890,891,170.

Mr. ELLENDER. Mr. President, may I inquire whether the Senator from Delaware objects to the inclusion in the RECORD at the conclusion of my remarks, of the statement made by the chairman of the Committee on Agriculture of the House of Representatives, Mr. COOLEY?

Mr. WILLIAMS. Yes; I object. If anyone wants to take exception to any of the figures I have placed in the RECORD, I should be glad to have him do it right here.

Mr. ELLENDER. I was simply seeking the truth, and seeking to put the truth in the RECORD.

Mr. WILLIAMS. The truth is in the RECORD.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hoey	Martin
Brewster	Holland	Maybank
Bricker	Ives	Mundt
Butler	Johnson, Colo.	Murray
Byrd	Johnson, Tex.	Neely
Cain	Kefauver	Pepper
Capehart	Kerr	Robertson
Chapman	Kilgore	Russell
Connally	Knowland	Saltonstall
Cordon	Langer	Smith, N. J.
Donnell	Leahy	Sparkman
Dworshak	Lehman	Stennis
Ecton	Lodge	Taft
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Flanders	McCarran	Tobey
Frear	McCarthy	Tydings
Fulbright	McClellan	Watkins
George	McFarland	Wherry
Green	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Magnuson	Young
Hill	Malone	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that, if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPPEL], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay."

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] who is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, is paired with the Senator from Wisconsin [Mr. WILEY] who is absent by leave of the Senate. If present and voting, the Senator from Maine would vote "yea," and the



Senator from Wisconsin would vote "nay."

The Senator from Oregon [Mr. MORSE] is detained on official business, and if present and voting would vote "nay."

The result was announced—yeas 18, nays 50, as follows:

#### YEAS—18

Aiken	Frear	Robertson
Brewster	Hendrickson	Saltonstall
Byrd	Ives	Smith, N. J.
Cain	Knowland	Tobey
Ferguson	Lodge	Watkins
Flanders	Martin	Williams

#### NAYS—50

Bricker	Johnson, Colo.	Malone
Butler	Johnson, Tex.	Maybank
Capehart	Kefauver	Mundt
Chapman	Kem	Murray
Connally	Kilgore	Neely
Cordon	Langer	Pepper
Donnell	Leahy	Russell
Dworshak	Lehman	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Green	McClellan	Tydings
Hayden	McFarland	Wherry
Hill	McKellar	Withers
Hoey	McMahon	Young
Holland	Magnuson	

#### NOT VOTING—28

Anderson	Gurney	O'Connor
Benton	Hickenlooper	O'Mahoney
Bridges	Humphrey	Schoeppel
Chavez	Hunt	Smith, Maine
Darby	Jenner	Taylor
Douglas	Johnston, S. C.	Thomas, Okla.
Downey	Kerr	Vandenberg
Eastland	Millikin	Wiley
Gillette	Morse	
Graham	Myers	

So the amendment offered by Mr. WILLIAMS for himself and other Senators was rejected.

Mr. AIKEN. Mr. President, on behalf of the junior Senator from Iowa [Mr. GILLETTE] and myself I offer an amendment which I ask to have stated. Inasmuch as the amendment was not prepared in time to be printed I have had mimeographed copies made, which are available to Senators who desire them.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 4. (a) Section 416 of the Agricultural Act of 1949 is amended by (1) striking out "at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage," and inserting in lieu thereof "under such terms and conditions as the Secretary deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section)"; and (2) inserting before the period at the end of the section a semicolon and the following: "fourth, to international welfare organizations in which the United States participates, for the assistance of needy persons outside the United States. In the case of disposition to private or international welfare organizations for the assistance of needy persons outside the United States the transportation and handling costs to be borne by the Government shall be limited to movement of the commodity to ship's side at the port of shipment."

(b) The Secretary of Agriculture and the Commodity Credit Corporation may make Mexican canned meat and meat products acquired in connection with foot and mouth disease programs available under such terms and conditions as the Secretary deems appro-

priate and in the public interest (but including the payment of transportation and handling costs only to ship's side at the port of shipment and only to the extent necessary to effectuate the purposes of this section) as follows in the following order of priority: First, to private welfare organizations for the assistance of needy persons outside the United States; second, to international welfare organizations in which the United States participates for the assistance of needy persons outside the United States.

Mr. AIKEN. Mr. President, the purpose of the amendment is to give the Secretary of Agriculture authority to dispose of perishable commodities, owned by the Government, for foreign relief purposes, through private organizations, such as CARE and CROP, and also to make them available to international welfare organizations in which the United States participates.

As of March 31, the commodities which would be affected are 83,000,000 pounds of dried eggs, 86,000,000 pounds of butter, 305,000,000 pounds of dried milk, some 20,000,000 pounds of cheese, and, I believe, prunes and raisins are included, 17,000,000 pounds of prunes, and 8,000,000 pounds of raisins. There is some question as to whether there might not be some dried edible beans available for this purpose, because they do not keep indefinitely, and the Government has about 4,000,000 pounds on hand.

The amendment permits the Secretary to dispose of them on such terms and conditions as he deems appropriate and in the public interest. It does limit him, however, to paying the transportation costs to the ship's side. He cannot pay costs overseas.

It will in effect permit dried milk and dried eggs, which are in heavy surplus, to be disposed of in the same manner as the law which was enacted affecting cotton and peanut acreages a short time ago permitted potatoes to be disposed of. Of course, potatoes were so bulky and heavy that I do not know how many the Department got rid of. I believe they got rid of some of them to Spain and Portugal.

I may say that this proposal to make these products available for foreign relief purposes has been considered when bills have come up previously. It was considered as an amendment to other bills, particularly the cotton-acreage bill; but at that time there were some 30 bills introduced in the House carrying the same provision or approximately the same provision, and the House Committee on Agriculture had started hearings. Therefore, it was concluded not to include anything but potatoes in that bill.

#### AMERICAN PURCHASES OF MEXICAN CATTLE

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator: How did the Secretary of Agriculture and the Commodity Credit Corporation acquire the Mexican canned meat in connection with the foot-and-mouth disease program?

Mr. AIKEN. That was acquired, I believe, in 1947 and 1948, when livestock coming over from Mexico was quarantined because of the foot-and-mouth disease. The price of beef, as I under-

stand, fell to about 5 cents a pound just below the border for a strip of something like 100 miles, whereas farther down where the disease existed an indemnity of 12 cents a pound was being paid. It was feared that there might be some voluntary infection of the herds just below the border in order to obtain the 12-cent condemnation payment rather than the 5-cent market price. Therefore, our Government went into the Mexican market and bought a large amount of beef. Our Government has about 15,000,000 pounds of canned beef, for which I understand it has at the present time absolutely no market, and I understand our Government has been unsuccessful in disposing of it in any way.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. Were any of the cattle which were acquired infected by the hoof-and-mouth disease?

Mr. AIKEN. I understand they were not.

Mr. MALONE. Were they examined?

Mr. AIKEN. I am sure the meat was inspected. I believe the Senator from Minnesota [Mr. THYE] can tell us more about that, because he was a member of the subcommittee which conducted the investigation. I yield to the Senator from Minnesota to make a statement about that.

Mr. THYE. Mr. President, the canned meat to which the Senator from Vermont has referred is the canned meat of the disease free, noninfected cattle in northern Mexico. We must go back to just prior to the infection of the foot-and-mouth disease in Mexico in order to examine what was the manner of disposing of cattle in Mexico. The average grass-fed animal was bought and shipped across the border to feed lots or to better grazing areas in the United States. That was the manner in which most Mexican ranchers were able to dispose of their cattle. When the infection in the central part of Mexico and in the vicinity of Mexico City occurred, of course, that consuming center was immediately shut off to the cattle ranchers of northern Mexico. Then their normal markets were shut off, and the border was closed to the ranchers, so they could not ship their cattle into the United States.

What happened was that the cattle population increased. There was no way to dispose of the cattle. The Mexicans did not have packing plants or the markets known to the American processors, and the remaining cattle were destroying the range. There was grave danger that the infection might be allowed to spread, so as to permit the cattle owners to receive for their cattle the indemnity price, which was much higher than the ranchers were able to obtain otherwise under those distressed marketing conditions.

So the State Department, through the Commodity Credit Corporation, agreed to assist the Mexican Government by having the Commodity Credit Corporation buy some of the canned meat. In fact, the United States assisted the Mex-



ican Government, through the foot-and-mouth-disease eradication program, to construct packing plants, in order that the meat could be sold, and also to make certain that we had full cooperation in connection with the eradication of the disease.

That program accounts for the canned meat now on hand. It has been in storage for a sufficient number of months so that unless it is moved in the near future the cans of meat will deteriorate completely, by rusting, and then there will be a total loss.

So it seems desirable that some relief should be afforded.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to have the Senator from Minnesota answer this question: By what authority do we buy canned meat which is not allowed to enter this country? Is the law which Congress passed broad enough to allow the Commodity Credit Corporation to go to another country and buy whatever in the judgment of the Commodity Credit Corporation it should buy, simply because of what someone may do at some time in the future?

Mr. THYE. Mr. President, the Congress permitted the Department of Agriculture to fight the hoof-and-mouth disease in Mexico in whatever manner the Department of Agriculture found it necessary to proceed in order to fight that disease. The entire Southwest livestock industry was threatened by that disease. If the infection had spread into northern Mexico and had reached the United States border, and if we had had to patrol the border in attempts to keep our cattle free of that disease, the result would have been an expense exceeding by many times the cost involved, first, in assisting the Mexican Government to construct packing plants and, second, to help the Mexican Government find a market for the meat.

A great deal of meat was shipped though the ECA program and other programs.

The canned meat to which I now refer is the remainder of the meat which was canned in connection with the program I have just explained. At the present time the Mexican Government has no way of finding an immediate market for the canned meat, which is deteriorating because of the rusting of the cans. So it seems to me that the step now proposed is a common-sense one.

The Congress did give general authority to the Department of Agriculture to proceed with the eradication of the foot-and-mouth disease in whatever manner the Department saw fit, even to the extent of helping the Mexican Government to construct a laboratory to develop the vaccine which had to be developed in order to vaccinate all the cattle in that area.

I would say that the program for the eradication of the foot-and-mouth disease has progressed many times better than the Bureau of Animal Industry anticipated 2 years ago, and much better than those of us who were there in 1947 were willing to concede it could progress.

I say that the Bureau of Animal Industry has done a commendable job, and so have the men who are in Mexico in charge of the program.

The canned meat to which I have referred constitutes a remaining problem in connection with the assistance given by the United States in helping the ranchers in northern Mexico to dispose of the meat and thereby to maintain a normal slaughter of the cattle so that the cattle did not increase so greatly that they would overgraze the grazing lands and thereby not only destroy the future opportunities of the ranchers but result in severe losses of cattle by starvation, due to overgrazing of the lands, with the result that if that occurred the ranchers might become careless about controlling the disease, and then it might spread all the way to the northern border of Mexico, in which event we would have to make much greater expenditures.

Mr. MALONE. Then it would seem that the reason for this proposal is that the Mexicans may of their own accord have spread the disease as a threat in order to be able to sell the meat for 5 cents a pound, failing in selling it at 12 cents, which was paid.

Mr. THYE. No; I would not say that. I would say that the officials of the Bureau of Animal Industry, in the Department of Agriculture, recognized that if the Mexican ranchers had absolutely no outlet for their beef cattle and if overgrazing began to destroy the range, and if the Mexican ranchers were absolutely up against it, with no market for their cattle, and if they saw the ranchers in the quarantined area, the area in which the disease existed, having an opportunity to sell their cattle under the condemnation program and thus be able to receive a much better price for their cattle, through the governmental condemnation program, than the ranchers in the noninfected area were able to receive for their cattle, then the ranchers in the noninfected area might become careless and might permit cattle to stray back and forth over the border of the quarantined area, with the result that the disease would spread, perhaps all the way to the United States border; and in that event we would have a much greater problem confronting us.

Mr. AIKEN. Mr. President, it is my understanding that we had excellent cooperation from the Mexican Government. Although some mistakes were made at first, yet the gaining of control of the foot and mouth disease in Mexico has been one of the outstanding accomplishments of our Department of Agriculture, in cooperation with the Mexican Government, during recent years.

I also understand that a considerable number of cattle just below the border were owned by American interests. Does the Senator from Minnesota understand that that is correct?

Mr. THYE. There is no question as to that.

Mr. AIKEN. So it is not altogether a question of giving money to the Mexicans.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. MALONE. In other words, the situation is roughly parallel to that in which this Government gave three-quarters of a million acre-feet of Colorado River water to Mexico, in addition to the amount to which Mexico was entitled without proper investigation; so now we are buying cattle on the Mexican side of the border because the Mexicans had no market for them. Is that a correct statement of the situation?

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. THYE. I should like to head right into that question.

Mr. MALONE. I should like to have the Senator do so.

Mr. THYE. Of course I notice that the old bugaboo of water from the Colorado River comes into the colloquy. I believe that question might be somewhat misleading. I do not believe there are enough American ranch operators across the border, in Mexico, to constitute the reason why the step of buying that meat had to be taken.

The fact of the matter is that we were confronted with the one question that the foot-and-mouth disease existed in the vicinity of Mexico City, whereas the northern section of Mexico was free of the disease. The Bureau of Animal Industry first established a quarantine line at the northernmost point where the infection was known, and the Bureau continued a very close inspection in the free zone—in other words, the northern section—and then proceeded to fight the disease in the central section.

Their first program was to slaughter every animal which had been exposed to the disease, regardless of whether the animals showed symptoms of the disease.

Of course, when the slaughtering of those animals commenced, some of them were absolutely disease-free, and the meat from those animals went into the channels of human consumption, because that meat was disease-free. Thus there was more available meat than the population of Mexico could consume.

Immediately an embargo, we might say, was put on the cattle in northern Mexico—an embargo against permitting them to move into central Mexico, where the greatest market for the meat existed. However, in addition, the cattle could not move across the border into the United States; and the ranchers had never developed a foreign market, because they always had been dependent on shipping their thin cattle to the United States, to be fattened here.

So the Mexican rancher found himself with an embargo on the north and an embargo on the south and an ocean on either side, and no foreign market, and no consuming market within his area to take the meat. The ranchers were not able to find any other relief, except to turn to the canning process.

Our Government assisted them, in the general fight against the foot-and-mouth disease, to construct canning plants; and when the plants were constructed, of course, meat was processed in them. The United States Government assisted the Mexican Government as much as possible in finding markets for the meat.



The meat to which I have referred is a small surplus amount. If we do not assist the Mexicans in disposing of it, the cans will deteriorate, and there will be a total loss.

However, I would not say that there was an increased production of meat due to the water which went from the Colorado River to increase the grazing area in Mexico.

Mr. MALONE. Mr. President, will the Senator yield, to permit me to ask a further question?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Vermont or the distinguished Senator from Minnesota this question: Were the cattle, when they were slaughtered, inspected in the same manner that cattle are inspected at United States slaughterhouses before the meat is processed?

Mr. THYE. That question I could not answer. All I can say is that the State bureaus of animal industry and the Department of Agriculture of the United States work very closely all the way through with the Mexican authorities. Whether they have assisted the Mexican authorities in setting up a program of meat inspection comparable to that of the United States I could not say. I think, however, that that is absolutely immaterial, because the meat has been processed in the packing operations.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. MALONE. Therefore, the meat which is processed, whether the cattle were infected or not, is deemed to be fit for human consumption.

Mr. THYE. I should like to answer that statement.

Mr. MALONE. Why, then, do we buy and can the Mexican meat when we know we have no sale for it?

Mr. THYE. The meat could not have been infected because there were no infected animals in northern Mexico, and no infected animals whatever went into the slaughtering process. The infected animals, in recent months of the eradication program, are slaughtered and buried. At first the program was to slaughter any animal that was found on inspection to be infected, or which had been exposed to contact with infected animals. But that program was found to be utterly impossible, because the ox is used as a work animal in Mexico. When the Mexican farmer is deprived of his oxen, he is left with nothing to till his land. So there was an uprising against the eradication program, at the outset, in Mexico. When it was discovered that through vaccination the disease could be held in check in Mexico, they completely reversed their program and proceeded with a program of vaccination, slaughtering only animals which were free from infection. I would say they have done a most commendable job. However, no diseased animals were ever put through the processing in the packing plants.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. MALONE. Of course our own packing houses are thoroughly in-

spected; nothing is taken for granted by the Federal inspectors. We are not supposed to have the disease in this country, but is inspected thoroughly for general and designated reasons. What I should like to know from the distinguished Senator from Minnesota, is whether the meat was inspected before it was canned, and, if it was not inspected thoroughly, as we do here, why would we want to ship it to any other country to be used for human consumption, and do so upon our own responsibility?

Mr. AIKEN. Mr. President, I think it is safe to say the meat was not infected before it was canned.

Mr. MALONE. I should like to have the basis of the Senator's statement.

Mr. AIKEN. I have not inquired into the details of it. However, I am advised that the meat was inspected and processed under the rules and regulations of the United States Department of Agriculture.

Mr. MALONE. The Department of Agriculture has sufficient authority there to buy such meat at a 12-cent per pound price when 5 cents would have been the limit for diseased meat—and the type of purchases that Congress had in mind when it passed the bill.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield to the Senator from California.

Mr. KNOWLAND. Since I do not have before me a copy of the act which he proposes to amend, I should like to ask the Senator from Vermont a question. Calling the Senator's attention to subparagraph (a) of his amendment, does that relate to making these commodities available for relief, to be distributed by public and semipublic agencies in the United States?

Mr. AIKEN. The priority would remain the same as it is in the law at present. If these commodities can be used in the United States without disrupting or depressing the market, the same priority that is already in the law would prevail.

Mr. KNOWLAND. What is the change? I am directing attention now merely to subparagraph (a).

Mr. AIKEN. The change lies in permitting the Secretary of Agriculture, if necessary, to make the products available at shipside, and also adding the Mexican canned meat. The fact remains that there are 15,000,000 pounds of the meat for which they say they are unable to find a market anywhere, and which is available for relief work overseas. The big surplus is in powdered milk and powdered eggs. The dairy market has been seriously depressed, as has been the poultry or egg market also. In fact, they are about the only two farm commodities that are in trouble at the present time. The Department feels that this leeway which is given them by this provision would enable them to dispose of part of the surplus, at least, for overseas relief purposes, without interfering with any normal channels of trade, or depressing or disrupting domestic markets in any way.

Mr. DONNELL and Mr. LEHMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Missouri.

Mr. DONNELL. Mr. President, the Senator referred to the words "at shipside." I should like to ask him this question: In subdivision (a) there is reference to the limitation of the transportation—I underscore with my voice these words: "and handling costs to be borne by the Government," that limitation being to the "movement of the commodity to ship's side at the port of shipment."

Again, in subdivision (b) there is also a reference to the inclusion of payment, as I understand, by the Government or appropriate official of "transportation"—and again I underscore by my voice the three words—"and handling costs" only to ship's side at the port of shipment.

In order that there may be no doubt with respect to these provisions of section 4, on the part of the Administrator, will the Senator state for the record whether I am correct in understanding that the costs to be borne by the Government would not include loading costs onto the ship, but would include only the handling and transportation incident to bringing the commodities to the side of the ship?

Mr. AIKEN. I want to make it perfectly clear that the handling charges might include repacking at the place of storage. With respect to the term "at ship's side," I imagine the Senator from Missouri is more familiar with it than am I. At ship's side means delivered on the dock, ready to be loaded onto the ship. But the Senator from Missouri is doubtless more familiar with shipping terms than I am. That is a limitation. It means that the Secretary cannot pay transportation overseas.

Mr. DONNELL. Mr. President, will the Senator yield for a further question.

Mr. AIKEN. I yield.

Mr. DONNELL. I want to be perfectly clear about this, and I think it is of importance in the administration of the bill if it shall be enacted. The party who is going to pay the bill, the Government, wants to know just what it is that is to be paid. Is the Administrator authorized, according to the contention of the opponents of this amendment, to pay anything beyond the bringing, the handling, and the transportation of the merchandise up to the side of the ship, or is he entitled to pay, in addition, the expenses of loading the commodities from the side of the ship onto the ship?

Mr. AIKEN. I may say to the Senator from Missouri that this does not include loading onto the ship. It is simply to the point where it is ready to be loaded.

Mr. DONNELL. I thank the Senator. The handling and transportation necessary to bring the commodity to the side of the ship is included, but the expense of loading it onto the ship is not?

Mr. AIKEN. The Senator is correct.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New York.



Mr. LEHMAN. Mr. President, I desire to address myself entirely to the (a) portion of the section. I am not familiar with the (b) portion. Do I correctly understand that the items which this amendment proposes to cover are substantially all perishable articles, such as dried eggs, canned meats, and dairy products?

Mr. AIKEN. It covers all articles that are in danger of spoiling, but the articles which are at present in danger of spoiling are dried milk, dried eggs, butter, and possibly prunes, cheese, and raisins.

Mr. LEHMAN. But it covers items which are in all likelihood subject to deterioration if they are not disposed of promptly.

Mr. AIKEN. That is correct. It does not cover any long-storable commodities.

Mr. LEHMAN. That was my understanding. May I ask further whether the amendment continues in the Secretary of Agriculture, as heretofore, discretion in regard to making decisions covering disposal of these items?

Mr. AIKEN. It gives to the Secretary discretion for the disposal, and to the extent to which the Secretary will cooperate in delivering to shipside. It does not require him to deliver perishable commodities to shipside. It does not require him to give them away, even if they will spoil next week. It gives him the right to dispose of them under such terms and conditions as the Secretary deems appropriate in the public interest.

Mr. LEHMAN. But it is not mandatory on the Secretary of Agriculture.

Mr. AIKEN. No. It is not mandatory that he give them away. He can sell them at half price.

Mr. LEHMAN. But if he feels he can dispose of them without interfering with the normal economy of the country, he does not have to give them away; he can dispose of them through other channels, can he not?

Mr. AIKEN. That is the main purpose, to dispose of them without interfering with the normal channels of trade, but to dispose of them in such manner that people will receive some good from them rather than having them deteriorate and having to be destroyed.

Mr. LEHMAN. Mr. President, will the Senator yield further for an observation?

Mr. AIKEN. I yield.

Mr. LEHMAN. The junior Senator from New York wishes to say that, in his opinion, this is a sound amendment. I think it is of great benefit to the economy of our country, and it certainly is a further benefit to people abroad who may be helped, and, I hope, will be helped, through either private relief agencies or international relief agencies in which the United States is participating.

Mr. AIKEN. I may say that the Department of Agriculture feels that this provision would be of assistance in disposing of perishable commodities which otherwise might be a total loss. I am advised that the State Department has no objection to the provision, but, in all fairness, I want to say that I have not verified that report which was made to me. As I understand, the State Depart-

ment sometime ago objected to a similar provision, but on the ground that it was mixing up and confusing some other legislation which it desired at that time. I understand that the Department does not now have any opposition to it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KNOWLAND. I should like to invite the Senator's attention to subsection (b) and ask whether he would have any objection to an amendment at that point. Beginning after the word "priority" it reads:

First, to private welfare organizations for the assistance of needy persons outside the United States.

I think that is perfectly understandable and perfectly agreeable. Then it reads:

Second, to international welfare organizations in which the United States participates for the assistance of needy persons outside the United States.

I have no particular objection to that, but that language, it seems to me, precludes the distribution by the United States itself should we desire, for instance, for famine relief in China, not to do it through an international organization but to do it under the State Department or some other Federal agency. I should not want to foreclose action of that kind if the Government of the United States thought it was desirable. It seems to me that by this language we would be foreclosing the United States from itself proceeding. It is mandatory that it be done through an UNRRA-type organization or a United Nations organization. That may be the way we want to proceed, but I do not think we should close the door to doing it in the other way if, in the judgment of the United States, it should be done.

Mr. AIKEN. I can assure the Senator from California that there was no intent to close the door in such a contingency. If he thinks an amendment will take care of that situation, I should be very glad to accept it.

Mr. KNOWLAND. I should like to have it read:

Second, to the United States Government or its own agencies, or to international welfare organizations.

I offer that as an amendment to the amendment of the Senator from Vermont.

Mr. AIKEN. I shall be glad to accept that amendment, because I can foresee situations which might arise whereby some agency of the United States Government might desire to make direct distribution of surplus spoilable commodities for relief purposes in some part of the world.

Mr. KNOWLAND. I submit that amendment to the amendments, Mr. President.

The PRESIDING OFFICER. Will the Senator restate his amendment?

Mr. KNOWLAND. The amendment would be after the word "second", near the end of section 4 (b), and would read as follows:

To the United States Government or its own agencies or to international welfare organizations—

And so forth. I offer it as an amendment to the amendment of the Senator from Vermont.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Vermont if the amendment in subsection (b) confines the meat to be furnished to these organizations to meat already acquired or to be acquired in the future?

Mr. AIKEN. As I understand, there is little likelihood of its being acquired—

Mr. MALONE. The program is not over yet.

Mr. AIKEN. It is barely possible that there would be more acquired, but if more is acquired and there is no market for it, it would be included in this amendment.

Mr. MALONE. Under this amendment any quantity of meat could be acquired in the future and could be disposed of in this manner.

Mr. AIKEN. It would be limited to that which was made available.

Mr. MALONE. We are always ready to appropriate any amount of money when we think it is going for that particular purpose. It would also be of great interest to the junior Senator from Nevada if he had the names of the United States citizens who own the cattle which were purchased at 12 cents a pound and now are on our hands.

Mr. AIKEN. I do not know the names. I assume everyone else has received reports—

Mr. MALONE. I had not heard.

Mr. AIKEN. That American interests own cattle in Mexico. It seems quite a natural thing that they should.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DONNELL. This further question is with a view to curing any possible misunderstanding which might have risen from the questions I previously asked the Senator in regard to the expression "ship's side." I invite attention to the fact that what I referred to in my previous questions related to the language in (2) in subsection (a) of section 4, and to the language in subsection (b). There is, however, subsection (a) of section 4, which refers to a different situation into which I certainly would not desire to introduce any confusion. As I understand, and I wish to ask the Senator if I am correct in my understanding, subsection (a) (1) refers to an amendment to section 416 of the Agricultural Act of 1949. Section 416 reads, in part, as follows:

In order to prevent the waste of food commodities acquired through price-support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon an application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States.



## Section 416 proceeds:

Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation—

Mr. President, I underscore by the tone of my voice this language—

available by the Secretary and the Commodity Credit Corporation at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth.

Mr. President, I ask the Senator, first, whether or not I am correct in my understanding that subsection (a) (1) does relate to an amendment of section 416, from which I have been reading.

Mr. AIKEN. That is correct.

Mr. DONNELL. I call the attention of the Senator to the fact that in section 416, among the persons or organizations to which disposal may be made, the act provides:

Third, to private welfare organizations for the assistance of needy persons outside the United States.

This may give rise to the question whether it is proposed by (a) (1) to confine the expenditure permissible to be made by the Secretary or the Commodity Credit Corporation simply to bringing the merchandise to shipside. I ask the Senator if I am correct in understanding that in subsection (a) (1) there is no intention to limit the Secretary of Agriculture or the Commodity Credit Corporation, as the case may be, to an expenditure in bringing merchandise to shipside; on the contrary, the insertion of the language which is proposed by the Senator's amendment is that there may be a disposal "under such terms and conditions as the Secretary deems appropriate and in the public interest—including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section"? Thus it is true, as I understand, that (a) (1) would permit the expenditure of funds for loading the commodities which are to go to private-welfare organizations for the assistance of needy persons outside the United States under the terms of section 416. In other words, it would permit the payment of expenses to load on shipboard, but not for other expenses, possibly transportation on the way over to such private-welfare organizations or such needy persons.

Mr. AIKEN. May I say—

Mr. DONNELL. Am I correct in my understanding?

Mr. AIKEN. No; may I say for the RECORD that it is intended that "the transportation and handling costs to be borne by the Government shall be limited to movement of the commodity to shipside at the port of shipment". It is not intended to cover loading costs or transportation costs.

Mr. DONNELL. May I call the attention of the Senator to the fact that the language which he has read in regard to movement to shipside refers only to a second amendment under section 4, and does not refer, as I understand, to that which is embraced in subsection (a) (1), from which I have quoted? It seems to me that the language is quite clear to

the effect that under subsection (a) (1) the governmental official, either the Secretary of Agriculture or the Commodity Credit Corporation—I have not read it carefully enough to see which it is—is authorized to make payment of transportation and handling costs to the extent necessary and under the purposes of this section, and that under that language he would not be confined to the payment of transportation and handling costs to shipside, but might pay other costs in addition.

Mr. AIKEN. I may say that it is intended that he be confined to paying the cost of transportation to shipside. While I am not a learned lawyer, and paragraph 2 of subsection 4 contains such a limitation and is part of the section referred to, I may say that the purpose, is to limit the cost to the Government to delivery to shipside. If this amendment is accepted, it would have to go to conference, and if there is anything wrong with the amendment—and I do not know that there is anything wrong with it—an opportunity would be provided to correct it in conference. However, I will say to the Senator from Missouri and for the RECORD, it is intended to limit it in that way.

Mr. DONNELL. Mr. President, on re-reading of the language, in view of the Senator's statement, I can quite well see how the language doubtless should be construed precisely as the Senator from Vermont has stated it. I think he has made the language clear that in the contingencies covered by section 4 (a) the expenditures as to shipment are to be limited to bringing the merchandise to shipside. He has corrected an error of construction in my mind into which I had fallen.

Mr. AIKEN. I thank the Senator for raising the point, because I do not want doubt to linger in the mind of anyone, and certainly not in the CONGRESSIONAL RECORD.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. AIKEN. I am glad to yield to the Senator from South Carolina.

Mr. MAYBANK. I am glad that the Senator from Missouri has brought up the question of shipside delivery. The freight rates on ocean transportation, as the Senator from Vermont knows, include also the loading of the cargo on the ship, carrying the cargo across the ocean, and the unloading of it on the other side. So those items would not be included.

Mr. AIKEN. It would not include the loading of the cargo.

Mr. MAYBANK. The freight rate includes the loading, unloading, and transportation. It includes the loading onto the ship from shipside, the transportation across the water, and the unloading.

Mr. AIKEN. I understood that transportation to shipside did not include loading of the ship. I am talking about getting the commodities to shipside, not about shipment overseas.

Mr. MAYBANK. When a commodity is sold shipside, it must be put on the ship, carried over, and taken off the ship. The freight rate includes all that.

Mr. DONNELL. It seems to me that the views of the Senator from Vermont

and the Senator from South Carolina are entirely consistent. In other words, the Senator from Vermont has pointed out the limitation of expense which may be legally included under section 4 (a). He has pointed out that it is limited to bringing merchandise to shipside, and does not include the loading. The point suggested by the Senator from South Carolina is that the expense of carrying the merchandise to its ultimate destination would include the loading of the merchandise, its transportation, and the unloading of the merchandise at the ultimate destination. The Senator from Vermont, as I understand, is telling us now, as he has told us before, that it is the intent of section 4 (a) not to permit any expenditures by the United States, through whatever proper official may be involved, beyond those involved in bringing the merchandise to the side of the ship.

Mr. MAYBANK. That is correct.

Mr. AIKEN. That is correct. The whole purpose of this amendment is to see if we can take these commodities which we have in surplus in such quantities that they are actually depressing the market here at home, and which are surely going to spoil, and make some use of them in some part of the world. In all probability we cannot dispose of all of them. I do not think we can. We shall still have surpluses, because the agencies which might use them—unless the United States Government itself goes in for something like Chinese relief—could not use them all, particularly the powdered milk and powdered eggs. However, we can dispose of a quantity of them, and perhaps can create some good will in the world somewhere by making them available to hungry children, rather than letting them spoil here.

Mr. MAYBANK. I should like to ask the Senator from Vermont who is going to buy the commodities?

Mr. AIKEN. Buy them?

Mr. MAYBANK. The Government, of course. Why does not the Government buy them shipside? That is the usual and customary way of handling the business.

Mr. AIKEN. They should be used by private international welfare organizations, such as CARE. They could be used by them.

Mr. MAYBANK. Who is going to pay the freight on them, under the present law?

Mr. AIKEN. They will have to find the money.

Mr. MAYBANK. Who will—the international organization?

Mr. AIKEN. The recognized agencies which accept them and undertake to deliver them where they are are most needed.

Mr. MAYBANK. Would there be any chance of storing the commodities en route to shipside? Suppose, as an illustration, the commodities were being shipped to New York, or some other port. Under the Senator's amendment, could they be stopped en route, be stored, and the Government pay the charges? I am just thinking out loud.

Mr. AIKEN. I am thinking quietly.



Mr. MAYBANK. The commodities are put on railroad cars, and they go shipside or go into storage. Can they go into storage and the Government get stuck for the storage costs?

Mr. AIKEN. Yes; I think that is entirely possible. That is done under the present law.

Mr. MAYBANK. I am asking for information.

Mr. AIKEN. The Department of Agriculture would be authorized to handle them in the best way, until they deliver them to shipside.

Mr. KNOWLAND. Mr. President, will the Senator yield on that point? I think it is a very pertinent question.

Mr. AIKEN. I yield to the Senator from California.

Mr. KNOWLAND. In view of the discussion on the floor of the Senate, I should think that with the power and discretion which is given to the Secretary of Agriculture, he would not pay the transportation costs to shipside unless the agencies had made arrangements themselves for the transshipment overseas. In other words, the Secretary will not permit someone to say, "We may want something," and then let them get it, and have demurrage charges running against the Government. I should think that would come under the discretion of the Secretary of Agriculture, and that he would require a firm commitment on the part of the requesting agency that they would ship the commodities.

Mr. AIKEN. The Senator from California is absolutely correct. There must be a commitment by some agency to use the commodities.

Mr. MAYBANK. Who is going to pay the demurrage charges when the commodities get to the port?

Mr. AIKEN. The Commodity Credit Corporation would deliver them to shipside. They have to pay storage charges on them anyway, wherever they may be.

Mr. MAYBANK. Not necessarily, if they are at shipside.

Mr. AIKEN. There must be a firm commitment of some agency to use the commodities.

I did not complete the answer as to what agencies would be authorized to utilize the commodities. There would also be authorized the United Nations International Emergency Children's Fund, which, as we know, was continued by an amendment offered by the senior Senator from Ohio, and other Senators, in connection with the ECA Act.

Mr. WHERRY. Mr. President, will the Senator from Vermont yield for a question?

Mr. AIKEN. I yield to the Senator from Nebraska.

Mr. WHERRY. The Senator from California raised a question which was in my mind, and it has now been answered.

Furthermore, I should like to know how expensive this is to be. The Senator may have given the figure, but what commodities are involved that are in surplus, and what are the amounts? Does the Senator have a list of them?

Mr. AIKEN. As of March 31, we had on hand 83,000,000 pounds of dried eggs;

86,000,000 pounds of butter; 305,000,000 pounds of dried milk, which is a tremendous amount; 21,000,000 pounds of cheese. I am not sure whether cheese would be considered perishable, and I doubt that cheese would be included in the program to any great extent. There are 17,000,000 or 18,000,000 pounds of prunes, and 8,500,000 pounds of raisins. Those are about the items which I am sure would be available.

Mr. WHERRY. Does the Senator have a tabulation in dollars of how much is involved?

Mr. AIKEN. Yes. I should like to have the complete tabulation in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Commodity holdings of the Department of Agriculture and Commodity Credit Corporation as of Mar. 31, 1950*

(This is a complete list of holdings and is not confined to surpluses)

COMMODITIES HELD AS SECURITY FOR LOANS	
Corn, 573,809,804 bushels----	\$762,442,660
Wheat, 316,046,836 bushels----	625,994,482
Cotton, upland, 2,275,798 bales-----	321,679,888
Tobacco, 356,043,799 pounds----	143,375,900
Grain sorghums, 42,845,327 hundredweight-----	97,648,132
Beans, dry edible, 7,067,913 hundredweight-----	48,678,021
Flaxseed, 9,147,602 bushels----	34,110,612
Barley, 24,685,675 bushels----	26,967,599
Soybeans, 10,939,907 bushels----	23,245,902
Oats, 28,431,169 bushels-----	19,057,828
Rosin, 178,222,685 pounds----	12,176,597
Peanuts, 118,901,890 pounds----	11,697,919
Potatoes, Irish, 9,811,321 hundredweight-----	6,847,522
Rice, 1,439,921 hundredweight-----	6,165,720
Peas, dry edible, 746,419 hundredweight-----	2,293,412
Turpentine, 2,586,471 gallons----	1,074,137
Rye, 771,590 bushels-----	933,963
Cotton, American, Egyptian, 2,933 bales-----	839,923
Cottonseed, 6,785 tons-----	356,723
Lespedeza seed, 2,634,131 pounds-----	316,091
Total-----	2,165,903,033

COMMODITIES OWNED BY THE GOVERNMENT	
Cotton, upland, 3,598,600 bales-----	\$608,003,453
Corn, 217,517,144 bushels-----	330,838,275
Wheat, 131,790,638 bushels----	327,132,896
Linseed oil, 430,199,908 pounds----	122,331,807
Eggs, dried, 83,237,185 pounds----	104,446,706
Flaxseed, 12,501,708 bushels----	79,238,672
Butter, 86,733,726 pounds----	54,007,810
Beans, dry edible, 4,764,803 hundredweight-----	42,399,212
Milk, dried, 305,333,476 pounds-----	38,857,806
Barley, 24,718,044 bushels----	35,490,428
Cottonseed, 562,959 tons-----	30,028,566
Wool, 28,503,647 pounds-----	24,049,131
Rosin, 210,837,798 pounds----	17,177,446
Oats, 10,979,187 bushels-----	9,618,574
Cheese, 21,488,373 pounds----	7,325,506
Grain, sorghums, 1,871,128 hundredweight-----	5,298,986
Peanuts, farmers' stock, 40,155,396 pounds-----	4,247,318
Peanuts, shelled, 11,366,595 pounds-----	1,690,779
Turkeys, 8,586,389 pounds----	3,455,842

Soybeans, 1,060,259 bushels----	\$2,864,515
Prunes, 17,879,310 pounds----	1,828,778
Raisins, 8,446,830 pounds----	849,464
Minor items-----	3,823,686

Total----- 1,855,005,656

Mr. AIKEN. The dried eggs which we had on hand on March 31 were valued at \$104,446,706. The butter was valued at \$54,007,810. The dried milk was valued at \$38,857,806. There was \$7,000,000 worth of cheese, and, as I have said, I doubt that it would be included in the program, although I am not sure about that. There was nearly \$2,000,000 worth of prunes and \$800,000 worth of raisins.

Mr. WHERRY. That would run the total up to over \$200,000,000, would it not?

Mr. AIKEN. Approximately \$200,000,000, of which eggs and butter are the largest items. I might say that, in addition to the humanitarian aspects, the enormous quantities being held now are evidently having a depressing effect on the market. I think the amounts have considerably increased since March 31.

Mr. WHERRY. I wonder if the Senator could get a statement up to date, and put it in the RECORD, if this matter goes over until tomorrow, so that we may have the complete totals of how much is involved, with reference, of course, to the perishables.

Mr. AIKEN. These are perishable commodities, owned by the Government.

Mr. WHERRY. That does not include the Mexican canned meat, which is covered in subdivision (b), does it?

Mr. AIKEN. It does not. But there is an item—

Minor items----- \$3,823,686

Whether that is the Mexican meat, I do not know. I am told it is about 15,000,000 pounds. I do not know what it is valued at per pound.

Mr. WILLIAMS. Mr. President, I can give the figure if the Senator desires to have it.

Mr. AIKEN. The Senator from Delaware has the figure, and I yield to him to give it.

Mr. WILLIAMS. On April 30, 1950, the report shows that there were 71,160,971 pounds—

Mr. AIKEN. As of what date?

Mr. WILLIAMS. That was on April 30. There were 71,160,971 pounds, with a value of \$16,867,139.

Mr. AIKEN. With which the Government is stuck, as I understand.

Mr. WHERRY. Is there a possibility that the ECA countries which need food supplies could in any way take these surpluses?

Mr. AIKEN. That is entirely possible. It is possible that the 15,000,000-pound figure which I received represents the canned meat which is not going to be kept much longer, and which must be disposed of or destroyed, whereas the figures read by the Senator from Delaware may represent some that is more salable. I do not know as to that.

Mr. DWORSHAK. Mr. President, will the Senator yield?



Mr. AIKEN. I yield further to the Senator from Nebraska, if he is not through.

Mr. WHERRY. This program is more expensive than I had thought it was when it was submitted by the distinguished Senator. Certainly there is a commendable purpose, the food going to the needy, and all that, and I think we are all in favor of feeding needy people, especially if the food is going to spoil. On the other hand, there is much money involved. It would run in the neighborhood of \$225,000,000 or \$250,000,000, if the Mexican meat is added. I was wondering if there was any way by which the ECA countries could purchase some of the supplies, in view of the amount of money involved. If it is food, and they need it—dried milk, butter, eggs, and cheese—it seems to me there should be some way of disposing of that food to the ECA countries which we are supplying and to which we are giving money.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Idaho.

Mr. DWORSHAK. The point raised by the Senator from Nebraska was one about which I have been concerned. I wonder if the Senator from Vermont can give us any assurance that this amendment, if agreed to, would not establish a precedent, and discourage the purchase of surplus agricultural commodities under the ECA program.

Mr. AIKEN. I think we already have precedent enough. We already have the law applying to potatoes. But they are so bulky that I do not know how many were shipped overseas. I understand potatoes were shipped to Spain and Portugal, and I believe a cargo of potatoes went to Israel. I do not know what did become of them. But what I should like to point out is that the commodities in question are perishable commodities. We can put them on the market here. The Commodity Credit Corporation has the right to put them on the open market here. However, if that were done, it would result in breaking the market. We can permit them to spoil or we can dispose of them in such a manner that some people will receive some good from them. It will cost us something to deliver them to the ship's side, but it is also costing something to pay storage on this enormous quantity every month. I expect the savings in storage would go quite a way toward paying transportation costs to some port from which they might be sent overseas.

Mr. DWORSHAK. How can we expect the beneficiary countries under the ECA program to purchase any of these commodities if we set up these patterns for giving them the commodities free? How can we expect to establish any commercial transactions?

Mr. AIKEN. Under the law the Secretary would not be permitted to distribute them in such manner as to interfere with any normal channels of trade. Technically, the ECA trade seems to be considered a normal channel of trade. We give the ECA countries the money and they buy the commodities. I should say we lend the money to them, rather.

Mr. DWORSHAK. The point I am making is that there would be little if any inducement for the ECA countries to purchase butter, cheese, or other surplus commodities if they know that by failing to purchase them they will receive them gratuitously.

Mr. AIKEN. I do not believe that any of the ECA countries that would have the ability to purchase any of these surplus commodities would be eligible to receive them free. I do not think that CARE and CROP, or any children's agencies which would be able to handle these commodities would interfere with the ECA trade.

Mr. DWORSHAK. Could not new welfare organizations be set up to qualify under this program?

Mr. AIKEN. Almost anything could be done. But I will say that the Secretary can tomorrow place every pound of the surplus commodities on the United States market also. I do not think he will do so, however. I am trying to think of something to do with those surplus commodities which will prevent the depressing of the American markets, so we will not have to destroy the surplus commodities, so we can dispose of them in such a manner as to obtain some good will, which America sadly needs. If any Senator has any better suggestion to make as to what to do with them I should like to know what it is. Should we take them out in the ocean and drop them somewhere?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LANGER. Is it not true that the entire Marshall program has been formulated on the theory that it is a subsidy to big business, so that the products we are shipping to the other countries relieve the surplus in this country?

Mr. AIKEN. I assume the Senator from North Dakota is entitled to his own opinion about that matter. I doubt if he will succeed in getting any official of Government to agree with him on that point, however.

Mr. LANGER. That certainly has been the theory of the senior Senator from North Dakota.

Mr. AIKEN. There is no question that big business has profited from the Marshall plan. There is no question that the Marshall plan has played a part in maintaining reasonably full employment in this country. I think everyone has shared in the subsidy.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield to the Senator from North Dakota.

Mr. LANGER. The situation which now exists is absolutely similar to the situation existing immediately after World War II, when we had \$106,000,000,000 worth of surplus property, and we sold property in Italy, for example, for 1 cent on the dollar, instead of bringing it back here, in order to avoid having any surplus in our own country. Is that not correct?

Mr. AIKEN. I think that is probably correct. I do not know what we received for that surplus property. But I am satisfied that big business in this country probably did not want any surplus

property brought back to this country which would interfere with its business. I expect that small business did not want surplus property brought back to this country which would interfere with its business. I presume the rank-and-file individual did not want anything brought back to this country which would interfere with his job.

Mr. LANGER. So the Senator from Vermont holds to exactly the same theory in connection with surplus products which the Commodity Credit Corporation has on hand?

Mr. AIKEN. The theory of the Senator from Vermont is that these surplus perishable commodities can be used to help the children of Europe and possibly of other parts of the world, and people who otherwise would have to go without them.

#### AMERICAN PURCHASES OF MEXICAN MEAT CONTINUED

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. Is it the opinion of the distinguished Senator from Vermont that under the ECA law this material could be purchased and distributed in the manner in which the argument here has always tended to show it will be distributed, that is to help hungry people throughout the world?

Of course it is well known that materials and food purchased under the ECA and sent to European countries was later sold by these countries—and not given to the hungry people.

Mr. AIKEN. I expect that any country having ECA funds could probably use them to purchase these surplus commodities if it so desired.

Mr. MALONE. I should like to ask the distinguished Senator from Vermont another question. Would the amendment which has been offered by the distinguished Senator from Vermont allow us to empty the Kansas caves of dried eggs, and empty other storage facilities now in use, for the storage of other agricultural commodities, thus making such storage available for the storage of further purchases of commodities of the same nature?

Mr. AIKEN. The Senator from Vermont hopes we will not have to buy eggs and dry them forever, but he does think that it would be a good thing to empty the caves where they are stored. No one in this country seems to want those eggs.

Mr. MALONE. Adoption of the amendment would allow us to empty the caves and other storage facilities so we would start building them up again?

We would only give such commodities to foreign countries and not to our own people who could use more food.

Mr. AIKEN. Yes, and so we could have a place into which to run in case of atomic warfare.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KNOWLAND. I think the RECORD should be made clear. We have been discussing the foreign phases of this subject, but, as I understand these surplus commodities, such as butter, milk, and so forth, will also be available under the



domestic school-lunch program. Is that not correct?

Mr. AIKEN. They will not only be available, but they must be used first for the school-lunch program.

Mr. KNOWLAND. In other words, that has the highest priority?

Mr. AIKEN. That is correct.

Mr. KNOWLAND. The American school-lunch program has the highest priority?

Mr. AIKEN. Yes. Then the surplus commodities are available to the Bureau of Indian Affairs, Federal, State, and local public-welfare organizations, for the assistance of needy Indians, for other needy persons, to private welfare organizations for the assistance of needy persons within the United States. Then we come to the private welfare organizations for the assistance of needy persons outside the United States.

Mr. KNOWLAND. If the Senator will permit me, I will say I felt quite certain that was correct, but I thought the RECORD to date did not make it clear that disposal of these surplus commodities would also fit into our school-lunch program and the domestic situation.

Mr. AIKEN. These commodities cannot be used for foreign relief so long as there is any possibility of using them for domestic relief.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. According to the statement the Senator from Delaware [Mr. WILLIAMS] placed in the RECORD, 71,000,000 pounds of Mexican beef would mean that approximately 200,000 cattle had been purchased below the border. Would the Senator have any idea as to how many more cattle are American owned in Mexico, which the owners would like to sell?

Mr. AIKEN. No, the Senator from Vermont does not know. The Senator from Vermont has heard that there are a good many American-owned cattle below the border which are put there for grazing at certain times of the year. I have no reason to doubt that report. It seems a logical thing for an American cattleman to place his cattle there if he can secure Mexican grazing land.

Mr. MALONE. The amendment does provide that we can continue to buy their cattle.

Mr. AIKEN. That would depend upon another law. If we continue to accumulate surpluses we can continue to dispose of them.

Mr. MALONE. We can continue to buy the cattle under the other law, and continue to dispose of them under the proposed law?

Mr. AIKEN. That is correct. If we have surplus beef, and it is in danger of spoiling, it can be disposed of under the proposed amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Am I to understand that the adoption of the amendment would authorize a world-wide free distribution of these surplus agricultural commodities which are now on hand?

Mr. AIKEN. Through certain agencies.

Mr. WILLIAMS. What certain agencies are they? What I mean is, it would be free distribution?

Mr. AIKEN. Yes. They could be given away or they could be sold for a small part of the cost. They would have to be distributed through private welfare organizations, for the assistance of needy persons outside the United States, or by an agency of the Government of the United States itself. I suppose they could be used through another agency, and through international welfare organizations in which the United States participates, for the assistance of needy persons outside the United States. That means the United Nations International Children's Emergency Fund, which was continued by the amendment offered by the Senator from Ohio [Mr. TAFT] and other Senators at the time the ECA bill was under consideration. That organization has only \$15,000,000 available, I believe.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Which commodities are affected, and how many commodities are affected? Are all the commodities which we have on inventory affected?

Mr. AIKEN. Any commodities which are in danger of spoiling—perishable commodities which will not keep any longer.

Mr. WILLIAMS. Suppose the Department of Agriculture decided that its wheat holdings were in danger of spoiling.

Mr. AIKEN. The Department has that right now; it can dispose of them either in or out of the United States, under the present law.

Mr. WILLIAMS. Wheat, corn, and all the other commodities we now own, under this amendment could be given away or could be sold abroad. Is that correct?

Mr. AIKEN. Yes; that can be done under the present law. If the wheat and corn held under this program are in danger of spoiling, the Department can sell them for any price it can get for them in this country, or can ship them overseas, to be sold at any price it can get for them.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WILLIAMS. We already have a sales force for Irish potatoes at a penny a bag, for export. Does this amendment mean that under it all the other commodities will go along on the same bargain list?

Mr. AIKEN. The amendment means that the very large surplus of milk, butter, and eggs could be disposed of in the same manner.

Mr. WILLIAMS. Is not this situation exactly the danger which was pointed out recently by the Advisory Board which the Secretary of Agriculture appointed, when the Advisory Board told the Secretary of Agriculture, in its report of April 28, that if the Congress did not lower the support prices, as the Senate

has failed to vote to do this afternoon, but if the Congress continued the 90 percent support prices, that would inevitably lead to the dumping of the commodities throughout the world? In fact, in point 4 of its recommendations the Advisory Board said that the high-support prices would foster export dumping, which in turn would invite retaliation on the part of countries in which the products were dumped.

Is it not true that after the proposal to lower the support prices to a more realistic level failed of adoption in the Senate this afternoon, now, less than 15 minutes afterward, we are confronted with a proposal to authorize worldwide dumping of our commodity inventories, which today total \$15,000,000,000 worth?

Mr. AIKEN. I am very sure that we cannot dump the commodities without the consent of the country concerned.

Mr. WILLIAMS. Can the Senator from Vermont conceive that any country would refuse to allow us to give away \$15,000,000,000 worth of commodities?

Mr. AIKEN. Yes; France, I believe, has already refused to permit such commodities to go into her channels of trade.

Mr. WILLIAMS. I understand that France has shut down on such movements of our surplus commodities only to the extent that France does not wish to use ECA dollars for the French agricultural program, because France has enough of those products. However, France will not turn down our dollars, certainly.

Mr. AIKEN. No; I do not understand that.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. Let me inquire of the able Senator from Vermont how much longer he expects to take.

Mr. AIKEN. I intended to sit down an hour and a half ago, but I have been answering questions.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. I should like to ask a question, in view of the statement the Senator from Vermont has made.

There are other Senators, including myself, who would like very much to get more information regarding this amendment. I should like to do so before I vote on it. If a majority of Senators wish to vote tonight on the amendment, we shall do so; but I should like to have more information about it. This amendment is much broader than I thought it was. I asked for some information, which apparently is not available tonight.

Of course the purpose of the amendment is quite sound, namely, a desire to feed needy people. On the other hand, the amendment involves nearly \$300,000,000, as I estimate the amount.

I should like to inquire whether some of the ECA money can be spent for this purpose, rather than simply to add the amount now proposed to the total amount of grants we are making to the ECA countries.

Mr. AIKEN. I may say that under the limitations there is no possibility of



using the entire surplus, except under the amendment offered by the Senator from California.

Mr. WHERRY. That may be true.

Mr. AIKEN. In case the United States Government itself, through any of its agencies, undertook major relief operations on a great scale, it could be used.

However, the children's agency could distribute 100,000,000 pounds of milk, although probably that is less than one-fourth of the total.

There is not much likelihood that the cost of this program will be so very high.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WHERRY. I should like to ask the distinguished majority leader—and let me say that I do not wish to delay a vote on the proposed legislation—whether it is possible for us to take a recess tonight and to vote on this question tomorrow perhaps immediately after the Senate convenes. I would agree to have the Senate vote at any time tomorrow; but I should like to have an opportunity to examine this matter further tonight. However, I am ready to vote now, if the rest of the Senate is ready to do so.

Mr. AIKEN. I have no objection to having the Senate vote at any time either tonight or tomorrow. If the debate is likely to close now for the evening, I should like to say that it is intended by this proposal to cover perishable commodities which otherwise would be a total loss, and which, because of their enormous amount, are depressing commodity prices in the United States today, and are incurring heavy storage costs.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question before he closes his remarks?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Is it not a fact that under the law now on the statute books, as the Government gives away this \$100,000,000 worth of free goods, the Treasury automatically cancels a corresponding amount of the notes of the Commodity Credit Corporation, as it takes this loss? In other words, the fund is a perpetually revolving fund, is it not?

Mr. AIKEN. No; I think the amount would be chargeable against the borrowing authority of the Commodity Credit Corporation. The Treasury could not cancel the notes—I think the Senator from Georgia will bear me out as to this—of the Commodity Credit Corporation without authority from the Congress. The Congress has given that authority once or twice in past years—over my opposition, as I recall.

However, I do not believe that the Treasury could automatically cancel the notes of the Commodity Credit Corporation. Otherwise, there certainly is no need to place a limitation upon the borrowing power of the Commodity Credit Corporation.

Mr. WILLIAMS. Is it not a fact that after the audited reports come to us, so far as they have come, as the accounts of the Commodity Credit Corporation have been audited for the fiscal year, to the extent that the capital of the Commodity Credit Corporation is impaired, the notes of the Commodity Credit Cor-

poration are canceled under authorization by the Congress?

Mr. AIKEN. I am sure they are not canceled without special legislation by the Congress.

Mr. DONNELL. Mr. President, will the Senator yield to me?

Mr. AIKEN. Yes. I understand that the Senator from Louisiana desires to obtain the floor in his own right.

Mr. ELLENDER. Yes; I desire to obtain the floor for 3 minutes.

Mr. DONNELL. Mr. President, at this time will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. DONNELL. In view of the fact, which apparently is in the minds of some Senators, that the Senator's amendment is opening up some new avenue for the disposition of these surplus commodities, I should like to ask whether it is true that under the present law, the Agricultural Act of 1949, section 116, the commodities which are not disposed of pursuant to the first sentence of that section may be disposed of under the priorities therein expressed—the school-lunch program being the first priority—and finally may be disposed of to private welfare organizations, for the assistance of needy persons outside the United States.

In the second place, is it not true that the Senator's amendment—leaving out, for the time being, the question of the Mexican meat—does two things: First, it gives the Secretary of Agriculture, and possibly the Commodity Credit Corporation—I am not certain as to which or both—authority to pay certain expenses up to shipside, that being authority which does not exist under the present law, for under existing law the commodities may be made available at the point of storage, rather than being shipped to shipside.

In the second place, the Senator's amendment adds, does it not, another category of welfare organizations, as a fourth category in order of priority? Today we have the private welfare organizations to which these commodities may be turned over and given at the point of storage, at no cost, and the private welfare organizations may employ the commodities for the assistance of needy persons outside the United States.

The Senator's amendment then would proceed to add the category of international welfare organizations in which the United States participates, which, under the amendment, could use the commodities for the assistance of needy persons outside the United States.

So there are the two points: first, the lesser restriction against the Secretary of Agriculture or the Commodity Credit Corporation, as to the place of delivery, namely, not the point of storage, but shipside; second, the increase in the category of the donees, or the distributees, namely, by international welfare organizations, in addition to the present list of four priorities, as expressed in that section. Is that correct?

Mr. AIKEN. The Senator has given a clear, concise, and correct analysis of what this amendment proposes to do.

Mr. DONNELL. I thank the Senator.

Mr. AIKEN. It does not open up new avenues, but simply adds the United Nations National Children's Emergency Fund to the category. That is the agency affected. It would add agencies of the United States Government to the list of those that could distribute abroad surplus commodities, spoilable commodities, and it would authorize the Secretary to pay transportation on the spoilable commodities to shipside, if he cannot get rid of them in any other way.

Mr. KNOWLAND. Mr. President will the Senator yield for the same modification which he had already accepted in the (b) section, to the (a) section, so there would be the same flexibility, to "the United States Government or its agencies"?

Mr. AIKEN. The Senator from Vermont is very glad to accept what he considers to be a wise amendment, proposed by the Senator from California.

Mr. KNOWLAND. As an amendment to subsection (a), I offer the same amendment as that which I previously offered to subsection (b), so as to provide: "fourth," inserting at this point, after the word "to," the words "the United States Government or its agencies or to," so as to make the clause read: "fourth, to the United States Government or its agencies or to international welfare organizations in which the United States participates, for the assistance of needy persons outside the United States."

It is also proposed to amend the next sentence of section 4, after the word "to" by inserting "the United States Government or its agencies or to," so as to make the sentence read: "In the case of disposition to the United States or its agencies or to private or international welfare organizations for the assistance of needy persons outside the United States the transportation and handling costs to be borne by the Government shall be limited to movement of the commodity to shipside at the port of shipment."

Mr. AIKEN. Mr. President, I should like to say I think the amendment offered by the Senator from California may be of inestimable value some day, much more so than we would expect at the present time.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Nevada.

Mr. MALONE. The figures show that there are about 341,000,000 bushels of wheat, without going into other commodities of all kinds now in storage. As I understand, the amendment leaves to the judgment of the Secretary of Agriculture the determination of the existence of perishable goods, or the danger of damage. Therefore, it would be up to the Department of Agriculture entirely to determine when the commodities, whatever they may be, should be disposed of in the manner provided by the amendment. If that be true, I call attention to the fact that there is now nearly \$4,000,000,000 worth of these commodities. We have just provided \$2,000,000,000 additional for the CCC, with which to go ahead and carry out the program. The CCC itself, on May 31, stated in a release that it had



sustained a net loss of \$155,322,000. Is this not, in effect, opening a new field for the disposition of commodities, with authority to continue buying commodities with new appropriations, and, in effect, a point 4 agricultural program?

Mr. AIKEN. No; this does not open up any new avenues for the disposal of wheat or other grains which might be deteriorating. Under the Agricultural Adjustment Act of 1938, the act of 1948, and the act of 1949, the Secretary is already authorized to sell, at any price, basic commodities which may be in danger of spoilage or deterioration. Also, he is not restricted as to the price at which he may sell such products abroad.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I should like to make sure the amendment which I previously offered to subsection (b) is also accepted as to subsection (a), in the two places where it is necessary to be placed.

Mr. AIKEN. Yes; the Senator from Vermont accepted that amendment for both paragraphs, and for both parts of subsection (a).

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FERGUSON. Does this amendment cover commodities on which the Government has loaned money?

Mr. AIKEN. No; only commodities which are Government-owned.

Mr. FERGUSON. It merely covers those owned by the Government, not those put up as security?

Mr. AIKEN. That is correct.

Mr. DONNELL. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. AIKEN. I yield.

Mr. DONNELL. I should like to be quite certain that I understand what the amendments are that were offered by the Senator from California. I doubtless should know, but I did not retain their import, if I heard it.

Mr. KNOWLAND. What the amendments had reference to, I may say to the Senator from Missouri, is that by the language of the amendment offered by the Senator from Vermont, distributions were limited to private relief agencies, or to international relief agencies, such as the International Children's Fund. The Senator from California pointed out that we may want to dispose of those commodities in either or both of those ways, but I did not feel that we should foreclose the distribution by the United States Government itself, or its agencies. In other words, we might want to carry on a permanent relief program, as we did in connection with Belgium relief, by the United States Government or one of its agencies. So my amendments would provide that additional flexibility.

Mr. DONNELL. That is the effect of the amendments?

Mr. KNOWLAND. That is the effect of the amendments offered by the Senator from California.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. Mr. President, it is now well known that the greatest agricultural crop that Europe has had for a long time will be harvested this year and that France is ready to sell wheat, and perhaps other commodities, with which we are not entirely familiar. Still, we are ready to break their markets, but not to break our own. Does that make sense to the Senator from Vermont?

Mr. AIKEN. No. I think there is no nation of Europe but what is smart enough to prohibit our dumping relief commodities on them, if the effect of it would be to break their market.

SEVERAL SENATORS. Vote! Vote!

Mr. ELLENDER. Mr. President, I shall detain the Senate for but 3 minutes. We already have under section 416 of the present law, the right to give food commodities in danger of spoilage, first, to the school-lunch program and to the Bureau of Indian Affairs and Federal, State, and local welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; and third, to private welfare organizations for the assistance of needy persons outside the United States.

The major purpose of this amendment is to make it possible for the Commodity Credit Corporation, in addition to giving away these commodities, to pay the freight on them. The Committee on Agriculture and Forestry has not acted upon this proposal and has never recommended the payment of transportation charges by the Government in the disposal of the commodities involved. I understand that the House of Representatives is now considering similar proposals. Let us consider this subject in a separate bill, and not tack it onto the Commodity Credit Corporation bill.

The amendment also adds international organizations for the relief of persons outside the United States to those agencies eligible to receive free food commodities. A third provision would allow the Corporation to give away canned meat acquired in connection with the foot-and-mouth disease eradication program in Mexico and also pay transportation charges.

Mr. President, this amendment would subject the Government to unknown costs and I earnestly hope it will be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont, as modified.

Mr. MALONE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is the demand sufficiently seconded?

The yeas and nays were not ordered.

Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Dworshak
Bricker	Chapman	Ecton
Butler	Connally	Ellender
Byrd	Cordon	Ferguson
Cain	Donnell	Flanders

Frear	Leahy	Neely
Fulbright	Lehman	Robertson
George	Lodge	Russell
Hayden	Long	Saltonstall
Hendrickson	Lucas	Sparkman
Hill	McCarran	Stennis
Hoey	McClellan	Taft
Holland	McFarland	Thye
Ives	McMahon	Tobey
Johnson, Colo.	Magnuson	Watkins
Johnson, Tex.	Malone	Wherry
Kefauver	Martin	Williams
Kilgore	Maybank	Withers
Knowland	Morse	Young
Langer	Mundt	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Vermont, as modified.

Mr. MORSE, Mr. DONNELL, and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. PEPPER] are absent on official business.

The Senator from Tennessee [Mr. McKELLAR], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. GREEN], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Tennessee [Mr. McKELLAR]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the



Senator from New Jersey would vote "yea."

On this vote the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting the Senator from Maryland would vote "nay," and the Senator from Maine would vote "yea."

I announce further that if present and voting, the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER], are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from New Jersey [Mr. SMITH] is detained on official business, and is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Ohio [Mr. TAFT] are detained on official business.

The result was announced—yeas 20, nays 37, as follows:

## YEAS—20

Aiken	Kefauver	Saltonstall
Capehart	Knowland	Sparkman
Donnell	Langer	Thye
Flanders	Lehman	Tobey
Hendrickson	Lodge	Watkins
Hoey	McMahon	Young
Ives	Morse	

## NAYS—37

Bricker	Hayden	Malone
Butler	Hill	Martin
Byrd	Holland	Maybank
Cain	Johnson, Colo.	Mundt
Chapman	Johnson, Tex.	Neely
Connally	Kilgore	Robertson
Dworshak	Leahy	Russell
Eaton	Long	Stennis
Ellender	Lucas	Wherry
Ferguson	McCarran	Williams
Frear	McClellan	Withers
Fulbright	McFarland	
George	Magnuson	

## NOT VOTING—39

Anderson	Downey	Hunt
Benton	Eastland	Jenner
Brewster	Gillette	Johnston, S. C.
Bridges	Graham	Kem
Chavez	Green	Kerr
Cordon	Gurney	McCarthy
Darby	Hickenlooper	McKellar
Douglas	Humphrey	Millikin

Murray	Schoeppel	Thomas, Okla.
Myers	Smith, Maine	Thomas, Utah
O'Connor	Smith, N. J.	Tydings
O'Mahoney	Taft	Vandenberg
Pepper	Taylor	Wiley

So Mr. AIKEN's amendment, as modified, was rejected.

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out "\$6,750,000,000" and to insert in lieu thereof "\$5,750,000,000." On page 1, line 9, it is proposed to strike out "\$6,750,000,000" and to insert in lieu thereof "\$5,750,000,000."

Mr. WILLIAMS. The amendment which I offer merely seeks to strike out \$6,750,000,000 and to insert in lieu thereof \$5,750,000,000. It would cut by \$1,000,000,000 the proposed additional borrowing authority of the Commodity Credit Corporation. It would give the Corporation \$1,000,000,000 less. The amendment would not affect in any way the existing farm laws or support levels. It would merely provide an additional \$1,000,000,000, instead of \$2,000,000,000. If we are to have laws on the books, we must provide adequate funds to carry out the laws.

It was only on the 24th of January that the President of the United States made his request for \$2,000,000,000 additional borrowing authority. Since that time, through an act of God, we have had a drastic reduction in our wheat crop. That means that there will be approximately \$500,000,000 less needed to support wheat than was contemplated at that time.

An indirect effect of the shorter wheat crop is that the price of wheat has risen considerably above the existing support price. Instead of farmers having to make wheat loans, they are liquidating them at a much faster rate than ever. According to the April report, instead of the Commodity Credit Corporation running behind, as they have been for months, they have gained about \$100,000,000 over what was expected. Another item which should be taken into consideration is that around July 1 the Commodity Credit Corporation will get approximately \$170,000,000 in restoration capital. That is given to them by virtue of the fact that under the act of March 8, 1938, which I mentioned previously, as of June 30 the Secretary of the Treasury audits the accounts of the Commodity Credit Corporation, and to the extent they have sustained losses and to the extent their capital has been impaired, that money is restored. According to the Bureau of the Budget, as shown on page 497, the Corporation will receive this year as restoration capital from the Treasury Department \$170,515,000. Together with these extras they can very well operate under their existing level for the next 12 months. Even in the event that I should be wrong in the estimate—which I feel is a correct estimate—\$1,000,000,000 surely would last beyond the first of the year, at which time Congress will be in session and can consider the subject again.

Another reason I think the amendment should be adopted is the fact that this

Corporation, which is seeking \$2,000,000,000 in additional funds, has never rendered any account for the past 2 years of any money which Congress has given them or which they have spent. So far as I know, or so far as any other Senator knows, everything may be 100 percent in order.

On the other hand, it may be in the worst shape imaginable. However, I think it is wrong for Congress to consider giving \$2,000,000,000 to the Commodity Credit Corporation until we find out how its internal affairs are being run, or at least until it presents proof that it needs the additional money. Therefore I urge that this amendment be adopted. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY], are absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. GREEN], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Maryland [Mr. O'CONNOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

On this vote the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Tennessee [Mr. MCKELLAR]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Tennessee would vote "nay."



I announce further that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER], are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] who is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, is paired with the Senator from Ohio [Mr. TAFT] who is detained on official business. If present and voting, the Senator from Maine would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from New Jersey [Mr. SMITH] who is detained on official business is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Missouri [Mr. KEM] are detained on official business.

The result was announced—yeas 21, nays 36, as follows:

## YEAS—21

Bricker	Frear	Malone
Butler	Hendrickson	Martin
Byrd	Ives	Robertson
Cain	Kilgore	Saltonstall
Cordon	Knowland	Tobey
Ecton	Lodge	Wherry
Ferguson	McCarran	Williams

## NAYS—36

Aiken	Johnson, Colo.	Maybank
Capehart	Johnson, Tex.	Morse
Chapman	Langer	Mundt
Donnell	Leahy	Neely
Dworshak	Lehman	Pepper
Ellender	Long	Russell
Fulbright	Lucas	Sparkman
George	McCarthy	Stennis
Hayden	McClellan	Thye
Hill	McFarland	Watkins
Hoey	McMahon	Withers
Holland	Magnuson	Young

## NOT VOTING—39

Anderson	Connally	Flanders
Benton	Darby	Gillette
Brewster	Douglas	Graham
Bridges	Downey	Green
Chavez	Eastland	Gurney

Hickenlooper	McKellar	Smith, N. J.
Humphrey	Millikin	Taft
Hunt	Murray	Taylor
Jenner	Myers	Thomas, Okla.
Johnston, S. C.	O'Connor	Thomas, Utah
Kefauver	O'Mahoney	Tydings
Kem	Schoeppel	Vandenberg
Kerr	Smith, Maine	Wiley

So Mr. WILLIAMS' amendment was rejected.

Mr. AIKEN. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1 it is proposed to strike out lines 8 and 9 and to insert in lieu thereof the following: "out the words 'other than trust deposits and advances received on sales,' striking out '\$4,750,000,000' and inserting in lieu thereof '\$6,750,000,000', and changing the period at the end thereof to a comma and adding the following 'to discharge all other liabilities of the Corporation, and to provide for any borrowing necessary to fulfill contingent liabilities and outstanding commitments'."

Mr. AIKEN. Mr. President, the proposed amendment will require the Corporation at all times to reserve a sufficient amount of its authorized borrowing power, which, together with other funds available to the Corporation, will not only enable it, as required under the present section 4 (1) of its charter act, to purchase in accordance with its contracts with landing agencies, notes or other obligations evidencing loans made by such agencies under the Corporation's programs, but will also enable it to discharge all its other liabilities, and to provide for any increased borrowing necessary to fulfill contingent liabilities and outstanding commitments. This does not mean that the Corporation will have to set up a reserve against its borrowing authority in the entire amount of program commitments outstanding, but only in such amount as will be required under its borrowing authority to meet such commitments. The same is true as to contingent liabilities such as those under outstanding purchase agreements. However, in the case of accounts payable and other accrued liabilities, and in the case of loans which have been approved and not yet fully processed, since these items should be considered as liabilities, a full reservation in the amount of such items will be required against the borrowing power.

The amendment also eliminates the language "other than trust deposits and advances received on sales" now in section 4 (1). The elimination of this language will not affect the borrowing power, since items of this nature are not borrowings in any event, but it will insure that such items are not left out of the computation when the Corporation considers its borrowing power together with other funds available to it for the purpose of determining that its borrowings plus its liabilities are not in excess of its total borrowing authority, together with such other funds.

Mr. President, the proposed amendment is inspired by the fact that the Commodity Credit Corporation uses different methods of bookkeeping to suit its convenience at different times. Up until March 1949, it had always included its

obligations to purchase loans held by lending agencies, loans approved but not fully processed, accounts payable, accrued liabilities, producers' equity in cotton pools, and contingent liabilities under outstanding purchase agreements.

In April 1939, it dropped these items from its liabilities chargeable against its borrowing authority. Then to my amazement I found that in making their request for \$2,000,000,000 they were including these items again as liabilities which must be taken into account.

The purpose of the amendment is to provide that the Corporation shall include as obligations chargeable against their borrowing authority such items as bills payable, producer's equity in cotton pools, accrued liabilities, and contingent liabilities under obligations for loans which have been consummated but not made. Those are really obligations which always have been taken into consideration in estimating the borrowing authority left, and they certainly should be. I do not like to have them come here one month and say that a bill payable is a liability, and come here 4 months later and say that a bill payable is not a liability, and some here 6 months later and say that bills payable are liabilities. The amendment does not take anything away from their borrowing authority at all. It is an effort to require them to keep their books and list all their liabilities against their borrowing authority, instead of simply those which they choose to list.

Mr. ELLENDER. Mr. President, since 1938, the Commodity Credit Corporation has been required to treat as obligations against its borrowing power its outstanding bonds, notes, debentures, and similar obligations. As I pointed out yesterday, the amount of those statutory obligations was \$3,544,000,000-plus on April 30, 1950, leaving a net of \$1,205,000,000 of statutory borrowing authority available. But, as I also pointed out, there are other contingent liabilities in the amount of \$750,000,000 which may or may not become a fixed liability of the Commodity Credit Corporation.

The Commodity Credit Corporation Charter Act in 1948 required the Corporation, in addition, to reserve sufficient borrowing power to purchase loans held by lending agencies. The sum of these two items represents the statutory charge against borrowing power.

In the day-to-day conduct of its business, the Corporation enters into thousands of business transactions with farmers, railroads, dealers, processors, and others. The payment of invoices and the making of payments to farmers in connection with these transactions is handled on a daily basis in the ordinary course of business through field offices and the many private trade facilities utilized by the Corporation as agents. In addition, there are other transactions of a highly contingent nature which enter into the Corporation's daily operations, such as purchase agreements entered into with farmers, claims against the Corporation, suits against the Corporation, and so forth.

The Corporation pays invoices rendered, makes settlements with farmers



and handles daily the many other types of business transactions as would be done in any operating business. The Corporation from time to time makes estimates of its financial requirements and, in so doing, it takes into consideration the possibility that a portion of these day-to-day business transactions may require the use of borrowing authority. To endeavor to prescribe by law the portion of borrowing authority that should be reserved to take care of these day-to-day transactions and the many contingent liabilities of the Corporation would add greatly to its administrative burden and would force it to follow methods and procedures not usually required of a business enterprise. This would add considerably to the cost of the Corporation's operations and would prevent it from operating as efficiently and effectively as would be expected of a private concern.

Some examples of the types of transactions which would create problems if any fixed or rigid system of determining all obligations against the borrowing of the CCC is prescribed by statute are as follows:

First, the Corporation makes an open offer to farmers that it will enter into purchase agreements for many commodities. Under such arrangements, the farmer has no obligation to deliver the commodity to the Corporation and, accordingly, may store it as he chooses, sell it or dispose of it at will, without making any report to the Corporation as to what he has done with the commodity. In other words, he in effect has an option to sell a specified quantity of a commodity to the Corporation as of a given date. The Corporation has no means of knowing whether he will exercise his privilege to deliver prior to the termination of this option and even then he is not required to deliver the commodity to the Corporation if he can sell it to his advantage. To endeavor to keep detailed records on such an operation would require the farmer to report to the Corporation when he has sold the commodity, fed it to livestock, or otherwise disposed of it. This would impose an additional burden on the farmer and would add greatly to the cost of the Corporation in administration of such purchase agreements, and there could still be no assurance that the records maintained were accurate. In short, purchase agreements handled in this manner probably would not be advantageous to either the Corporation or the farmer.

Second. Another difficulty which would arise in attempting to establish an amount to be charged against the borrowing authorization which would be verified is presented by claims against the Corporation. As a Corporation, Commodity Credit Corporation may be sued, and many suits are brought for amounts greatly in excess of any possible liability. To reserve borrowing power sufficient to cover the amounts sued for or claimed in all such cases would present a misleading picture of the Corporation's obligations, and the determination of such amounts would require an excessive

amount of administrative costs. On the other hand, any effort to appraise the amount of actual liability in such cases would result in a figure so conjectural as to present unreasonable obstacles to an accounting review.

These are only illustrations of the types of problems which would arise if an attempt is made to prescribe by statute the means by and extent to which reservations of borrowing authority should be made to cover obligations other than actual borrowings and those arising under contracts with lending agencies. If the Corporation is to operate efficiently in comparison with private industry, it must be permitted to follow normal business practice of exercising a business judgment in forecasting its needs and in the handling of its financing.

The Corporation each month makes available to the public a statement showing not only the statutory charges against its borrowing authority but also its estimate as of a specific date of other obligations all or part of which may require later use of borrowing authority. The nature of these obligations is such that the responsibility for assuring availability of funds to meet them is one which should remain a responsibility of the management of the Corporation.

Mr. President, I ask that the amendment be rejected.

Mr. LUCAS. Mr. President, one needs only to listen to the statements made by the able Senator from Vermont [Mr. AIKEN] and the able Senator from Louisiana [Mr. ELLENDER] on the amendment to realize how controversial and how far-reaching the amendment is. It is another classical example of attempting to legislate on the floor of the United States Senate, without having any hearings before a committee upon such an important question as this. The same is true with respect to other amendments which have been offered. The Committee on Agriculture and Forestry had no opportunity whatsoever to go into the merits of the allegations made with respect to the various amendments. The Senate should not be compelled to vote blindly upon amendments of this kind. They may be meritorious. The Senator from Vermont is one of the able legislators, so far as agricultural problems are concerned, and most of the time I respect his judgment, but I cannot conscientiously support an amendment of so far-reaching a character as the one now before the Senate, without any hearings having been held upon it, and without any testimony having been adduced with respect to it before the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, with due respect to the senior Senator from Illinois, I wish to say that this matter has been before the Committee on Agriculture and Forestry time and time and time again. The amendment would have the Commodity Credit Corporation do what for a long time the General Accounting Office has tried to require the Corporation to do. The Corporation used to include in its liabilities such items as loans approved but not fully processed, accounts payable, accrued lia-

bilities, producers' equity in cotton pools, and continuing liabilities under outstanding purchase agreements.

In March 1949 the Commodity Credit Corporation deleted those items from its liabilities, showing thereby that the Corporation had much more money on hand unobligated than it actually had. Now when the Corporation wants \$2,000,000,000 additional borrowing authority it comes here and adds these liabilities, which are genuine liabilities, and says "We do not have any money. We have got to have \$2,000,000,000."

Here is an opportunity to decide whether we want our Federal agencies' books kept in order or not. Here is a chance to vote for this amendment which will do what the General Accounting Office wants the Commodity Credit Corporation to do and what it should do without compulsion by the General Accounting Office or by the Congress or by anyone else, namely, what should be done in accordance with good bookkeeping practices. Certainly an account payable is a liability. Approximately \$700,000,000 are included in these items at the present time, and the Commodity Credit Corporation regards them as liabilities. I am sure when the Commodity Credit Corporation gets the \$2,000,000,000 additional, it will deduct those amounts, as has been done in the past.

Mr. President it, is time for our Government agencies to keep their books straight. The Commodity Credit Corporation has been a terrible offender in that respect, and apparently it does not intend to reform.

I think this amendment is one little step which we should take to make the Commodity Credit Corporation keep its books in order, so that we can determine how much borrowing authority the Commodity Credit Corporation has from time to time.

Mr. President, on the question of the adoption of the amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, I rise to support the amendment offered by the Senator from Vermont.

The Senator from Illinois stated that he did not think we should consider proposed legislation without having hearings. I wish to point out to him that the Secretary of Agriculture testified, in effect, before the Senate committee, on this very bill and on this amendment, because at that time he said that the same items which the Senator from Vermont has pointed out should be included, were being included.

This amendment merely provides that the Secretary of Agriculture shall do exactly what he said he was going to do at the time when he applied for the \$2,000,000,000 additional. The amendment will force him to do what he has not always done in the past.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN]. On this question the yeas and nays have been ordered.



Senators who favor the amendment will vote "yea" when their names are called.

Senators who oppose the question, will vote "nay" when their names are called. The Secretary will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senators from Tennessee [Mr. KEFAUVER and Mr. McKELLAR], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. GREEN], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from Maine would vote "yea."

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from Tennessee [Mr. McKELLAR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO conference at Florence, Italy, and is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Iowa would vote "nay."

The Senator from New Jersey [Mr. SMITH] is detained on official business and is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The junior Senator from Ohio [Mr. BRICKER], the Senator from Maine [Mr. BREWSTER], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM], the Senator from California [Mr. KNOWLAND], the Senator from Wisconsin [Mr. MCCARTHY], the senior Senator from Ohio [Mr. TAFT], and the Senator from Utah [Mr. WATKINS] are detained on official business.

The result was announced—yeas 23, nays 29, as follows:

#### YEAS—23

Aiken	Eaton	Morse
Butler	Ferguson	Mundt
Byrd	Hendrickson	Saltonstall
Cain	Ives	Thye
Capehart	Langer	Tobey
Cordon	Lodge	Wherry
Donnell	Malone	Williams
Dworshak	Martin	

#### NAYS—29

Chapman	Johnson, Tex.	Maybank
Ellender	Kilgore	Neely
Frear	Leahy	Pepper
Fulbright	Lehman	Robertson
George	Long	Russell
Hayden	Lucas	Sparkman
Hill	McCarran	Stennis
Hoey	McFarland	Withers
Holland	McMahon	Young
Johnson, Colo.	Magnuson	

#### NOT VOTING—44

Anderson	Gurney	Myers
Benton	Hickenlooper	O'Connor
Brewster	Humphrey	O'Mahoney
Bricker	Hunt	Schoeppel
Bridges	Jenner	Smith, Maine
Chavez	Johnston, S. C.	Smith, N. J.
Connally	Kefauver	Taft
Darby	Kem	Taylor
Douglas	Kerr	Thomas, Okla.
Downey	Knowland	Thomas, Utah
Eastland	McCarthy	Tydings
Flanders	McClellan	Vandenberg
Gillette	McKellar	Watkins
Graham	Millikin	Wiley
Green	Murray	

So Mr. AIKEN's amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

If there is no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

#### EXTENSION OF RENT CONTROL—REPORT OF A COMMITTEE (S. REPT. NO. 1780)

Mr. MAYBANK. Mr. President, earlier today the Senate was generous enough to permit me, by unanimous consent, to submit the report on the rent-control bill, so that it might be printed.

I may say that the hearings were completed some time ago, and have been available to all Senators.

I wish to send the report to the desk, so that it may be available to all Senators. The report is based on the hearings.

The Senate was also kind enough earlier today by unanimous consent to permit me to report the so-called Lucas-Myers bill, which I am reporting from the Banking and Currency Committee, with amendments. The bill was ordered by the committee, by a vote of 8 to 5, to be reported favorably.

So, I now report the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, with amendments; and I submit a report (No. 1780) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, I have no desire to delay the Senate. If it is agreeable to the Senator from Illinois and the Senator from Louisiana, I shall ask unanimous consent to have inserted in the RECORD a statement I have prepared relative to the accounting policies of the Commodity Credit Corporation and the report which has just been submitted today to the Senate, along with the report of last year.

As many Senators will remember, last year I stated on the floor of the Senate that I had been advised that \$350,000,000 spent by the Commodity Credit Corporation could not be supported or verified. A few days later the Secretary of Agriculture emphatically denied that, and said the money had been accounted for. About 5 days after the Secretary of Agriculture made that statement, the Comptroller General reported that \$366,000,000-plus had not been accounted for and could not be accounted for as of that time. That was on March 31, 1950.

Since that time many statements have been made both ways, some of them in an endeavor to whitewash the matter or to say that the money had been accounted for.

Yesterday there was submitted to the Senate a preliminary report for the years 1946 and 1947, and this afternoon the reports for those years in their entirety were submitted to the Senate.

The report submitted this afternoon shows that there is \$96,000,000-plus, out of the \$366,000,000, which cannot be



accounted for at this time. The Comptroller General, in his report, has stated that in the absence of any records, and in the absence of any chance, as he sees it, of reconstructing those records, he thinks the Senate and the country had just as well forget the \$366,000,000, as soon as possible. He does not think that any worth-while purpose can be served.

I have a chronological history of this entire procedure in a report. I am willing to present it to the Senate, if there is any controversy over it or any misunderstanding, but it is my understanding now that it is accepted by the members of the committee, that as to the accounts of the Commodity Credit Corporation as of June 30, 1947, the report which is being submitted to the Senate shows that of the \$366,000,000 there is \$96,000,000 for which there will be no accounting.

The VICE PRESIDENT. Is there objection to the request of the Senator from Delaware?

Mr. WILLIAMS. I understand there is no objection to allowing that record to stand. In this regard, I may say that during the past 12 months I have been doing quite a little research. I have uncovered 12 or 15 errors. We collected back money on 12 of them, as I recall the number, which were of 6 or 7 years' standing. This clearly indicates that if the proper auditors had examined the books of this corporation in time, a very large part of this money could have been recovered. It is rather significant that in one instance I discovered an error of \$45,000, for which no inventory could be found. When we traced it down, after considerable wrangling, in an attempt to get the records, we found that the \$45,000 represented a shipment of canned meat, sent to New York, which had never been delivered to the Government. It took an auditor but 48 hours after he was assigned to the task to make the necessary contacts and to recover this money. We found duplicate payments and many other errors, which are listed, all of them. This history, as far as I have been able to reconstruct it from the files, is in this report.

I should prefer not to delay the Senate. If I understand it is to be accepted without challenge, I shall ask that it be inserted in the body of the RECORD.

The VICE PRESIDENT. The Senator asks unanimous consent that the matter to which he has referred be printed in the RECORD.

Mr. WILLIAMS. I am asking that it be printed in the body of the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

(The material appears in the remarks subsequently delivered by Mr. WILLIAMS.)

Mr. HOLLAND. Mr. President, on the question of the acceptance of the report for the RECORD, I want it to be made very clear that the members of the Committee on Agriculture and Forestry have from time to time insisted upon the cleaning up of this particular matter, and that the junior Senator from Florida has been particularly insistent on that course; that we have not had a chance to see that report, and that by no means, would

we want the RECORD to indicate that we accept, without question, every item that is in it. We have not seen it. I have no objection at all to the Senator's putting the report in the RECORD, but I would not want his words to appear to have the meaning that members of the Senate Committee on Agriculture and Forestry are accepting it as a true statement of what we are going to have to charge off, because I do not know whether that is the case.

Mr. WILLIAMS. Mr. President, it seems to me that the members of the Committee on Agriculture and Forestry will remember that I appeared before them in March or April of this year and told them that, so far as I was concerned, before the Senate acted on this bill, those books were going to be submitted to the Congress. I received those books this afternoon, showing what I have just said. If the Senator from Florida has not had the opportunity of reading this report, he perhaps does not want it to go into the RECORD. But the bill is not going to be voted on until it is in the RECORD. It is either going to be accepted for the RECORD, or I am going to read it on the floor of the Senate. It makes no difference to me which.

The VICE PRESIDENT. The Chair will state to the Senator that consent was given that the matter be printed in the RECORD.

Mr. WILLIAMS. But, Mr. President, I am not merely trying to get it into the RECORD. If there is any doubt in the mind of anyone as to the facts concerning the books of this Corporation, we are going to settle it right on the floor of the Senate.

The VICE PRESIDENT. The Senator cannot ask the Senate to accept it as a matter of fact.

Mr. WILLIAMS. I am not asking the Senate to accept it as a matter of fact, but since there is a doubt in the mind of one of the members of the Committee on Agriculture and Forestry, I shall proceed to deliver the speech. I ask the Senator from Illinois whether he wants to stay here tonight, or whether he wants to carry this over until tomorrow?

Mr. LUCAS. The Senator from Illinois desires to finish the bill tonight.

Mr. WILLIAMS. That is all right with me. I suggest the absence of a quorum.

Mr. TOBEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator has suggested the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Martin
Bricker	Hoey	Maybank
Butler	Holland	Morse
Byrd	Ives	Mundt
Cain	Johnson, Colo.	Neely
Capehart	Johnson, Tex.	Robertson
Chapman	Kilgore	Russell
Cordon	Langer	Saltonstall
Donnell	Leahy	Sparkman
Dworshak	Lehman	Stennis
Eaton	Lodge	Thye
Ellender	Long	Watkins
Ferguson	Lucas	Wherry
Frear	McCarran	Williams
Fulbright	McFarland	Withers
Hayden	Magnuson	Young
Hendrickson	Malone	

The VICE PRESIDENT. A quorum is present.

Mr. WILLIAMS. Mr. President, I should like to say in the beginning that I do not have any desire unduly to delay the Senate. I hesitate to speak this late in the evening. I was hoping that I might insert the report in the RECORD, but as I understand the position of the Senator from Florida [Mr. HOLLAND], he wants to know what is going into the RECORD. I think all Senators should know what is going into the RECORD, particularly in view of the fact—

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I want to make it clear again that I do not have the slightest objection to the insertion of the documents into the RECORD. What I have objection to is having them inserted with the statement of the Senator from Delaware that they must be accepted as a true and accurate statement of the situation as it exists, when Senators have not seen the documents which came in only last night. It was the condition of the admission to which the Senator from Florida objected. I have no objection whatever to the insertion of the documents in the RECORD as being what they purport to be, but I do not propose to accept them and be bound by them, and I am sure no other member of the Committee on Agriculture and Forestry would accept it subject to such conditions.

Mr. WILLIAMS. Mr. President, I respect the position of the Senator from Florida. I do not expect him to subscribe to anything he has not had an opportunity to see, although he is slightly mistaken. If I remember correctly when I appeared before the committee in February or early March, the Senator from Florida said he thought my request for the books of the Corporation was in order, and I think I am correct in saying that he made the motion, seconded by the Senator from New Mexico [Mr. ANDERSON] that the books be submitted to the Congress before we were asked to vote. I think I am correct in that statement.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. The Senator is correct. The Senator from Florida felt that the wartime disparity should be cleared up. The Senator from Florida insisted that the audits being made by the General Accounting Office be brought up to date. The office was quite a number of years behind, and it was brought out yesterday that the General Accounting Office had completed its work and had submitted the audits, as the Senator from Florida now recalls, to the Department of Agriculture, and that Department had not had time to check. The Senator from Delaware and the Senator from Florida are together on this one point, that we both felt that the whole matter should be cleared up so that we would have the exact facts. I am glad that the Senator from Delaware states that it is his feeling, as it is mine, that none of us should accept or be bound by the statement which came in last night,



as I understand, or perhaps this morning, and which no Senator has seen unless it be that the Senator from Delaware has had an opportunity to examine it today.

Mr. WILLIAMS. The complete audited report came in last night and was laid before the Senate by the Chair this afternoon. However, the statement which I made was naturally not prepared from the report. It was prepared from a summary of the report which was given to the Committee on Agriculture and Forestry in advance. It was sent to that committee by the Honorable Lindsay C. Warren under date of March 31, 1950, and the Senator from Florida has had access to it for the past 2½ months, if he had seen fit to read it. I do not know whether he has seen it. That is beside the point. But the report which came from the Comptroller General, the preliminary report, a copy of which is on my desk, dated March 31, 1950, addressed to the chairman of the Senate Committee on Agriculture and Forestry, states that of the \$366,000,000 which he reported to Congress on March 30, last year, as being unable to account for, there is \$96,000,000, to be exact, \$96,440,497, which he had to subtract from the over-all accounts on June 30, 1947, in order to make the books balance.

That report has been in the hands of the Committee on Agriculture and Forestry for 2½ months. The Senator from Florida is a member of that committee. When I ask to insert this in the RECORD, I am not asking to insert something which has not been available to the members of the Committee on Agriculture and Forestry. I felt sure that the members of the Committee on Agriculture and Forestry meant what they said, that they were going to try to get these reports from the Comptroller General. Surely I had every reason to believe that after they got the reports they would read them.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. HOLLAND. The Senator from Florida feels that in justice to those Senators on both sides of the aisle who are members of the Committee on Agriculture and Forestry it should be stated that there are two different accountings being made in this rather difficult situation of checking up on the wartime activities of the Commodity Credit Corporation. One is an audit by the General Accounting Office. After that is completed for each year it is submitted to the Department of Agriculture for checking. The Senator is exactly correct in his feeling that the whole membership of the Committee on Agriculture and Forestry, particularly the Senator from New Mexico [Mr. ANDERSON], who is not here today, and the Senator from Florida, were insistent upon this matter being cleaned up. So far as the Senator from Florida is advised up to this moment, the check of the audits for the last several years, that is, the check of the audits made by the General Accounting Office, which check was being made by the Commodity Credit Corpora-

tion, has not been completed and reported to the Committee on Agriculture and Forestry. If it has been so completed and reported, it has not been reported to the Senator from Florida.

Mr. WILLIAMS. I do not know how much the Senator from Florida knows about what is going on in the Committee on Agriculture and Forestry. However, it is a fact that such a report was received. The Senator from Louisiana [Mr. ELLENDER] inserted in the RECORD a copy of the preliminary report which was received by the Committee on Agriculture and Forestry. So I know that the members of the committee received it. The reports were inserted yesterday and they covered not only a copy of the report from the Comptroller General with reference to the \$96,000,000, but also a report from the Secretary of Agriculture.

Both the report from the Department of Agriculture and the report from the General Accounting Office, in compliance with the request under the motion made by the Senator from Florida himself, have been in the hands of the Committee on Agriculture and Forestry for 9 weeks. So there is no reason why the members of the Committee on Agriculture and Forestry should not be familiar with it. If they are not, it is all the more reason why this speech should be made. I think it is time that Members of the Senate, and particularly the members of the Committee on Agriculture and Forestry be made acquainted with the facts.

I know the Senator from Florida has had a considerable amount of other work to do, and I can see how he would not pay as much attention to this matter as I have been paying, because I have been a little bit more concerned about this particular project. However, I still think that it is important that this report be placed in the RECORD so as to settle once and for all, so far as the country is concerned, whether this money has been accounted for.

As I said, in the beginning the Secretary of Agriculture denied completely that there was any amount of money unaccounted for. The Senator from Illinois put the letter of the Secretary of Agriculture in the RECORD last March. I do not criticize that. He had every right to expect the Secretary of Agriculture to know what he was talking about. The Secretary of Agriculture, under date of March 31, 1950, sent a letter to the Committee on Agriculture and Forestry in which he said, in effect, "We have found all but \$96,000,000."

Mr. YOUNG. Mr. President—

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield first to the Senator from North Dakota.

Mr. YOUNG. Does the Senator from Delaware expect every member of a committee to be fully informed as to all correspondence which the committee receives?

Mr. WILLIAMS. No. I do not say that as any criticism of any member of the Committee on Agriculture and Forestry. I feel that if they do not know the facts, I have no alternative but to go

on with the address. Many people in the country are wondering whether I was all wet last year when I said that there was \$366,000,000 unaccounted for. I did not make any charge that there were any shortages. I do not make any such charges now. I do not know. Conceivably, if the books were reconstructed, as the Comptroller General pointed out and as I pointed out yesterday, by a stretch of the imagination every dollar could be found to be in line. On the other hand, if one were of a somewhat suspicious nature, he could say that the \$96,000,000 was gone.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. I would be inclined to agree with the Senator's statement, but certainly I think it is unreasonable to ask every member of the committee to agree with a report which he has not seen.

Mr. WILLIAMS. I fully agree with that. Had I known that the members of the Committee on Agriculture and Forestry were not familiar with it, I would not have made the request tonight. I had discussed this matter with the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER], and I told him that I would make the request. Perhaps I made the mistake of not going to each member of the committee. However, I thought they knew about it. If the Senator from Illinois wishes to carry the matter over until tomorrow morning, I am willing to give a copy of the report to each member of the committee and let them look it over.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LUCAS. I merely wanted to make the announcement that it is important that Senators remain in the Chamber, because if there is a quorum call at the end of the Senator's address we shall be compelled to get a quorum.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Mr. President, I desire to ask the Senator a question. Regardless of whether or not I was a member of the Committee on Agriculture and Forestry, it would seem to me to be entirely appropriate and desirable, before I voted on a bill to increase the borrowing power of the Commodity Credit Corporation by \$2,000,000,000, that I should know whether the Commodity Credit Corporation had satisfactorily explained this \$366,000,000 item. Does not the Senator agree that whether or not a Senator is a member of the Committee on Agriculture and Forestry it is appropriate and desirable that he have that information before he casts his vote on the bill?

Mr. WILLIAMS. I think it is. The Senator from Missouri joined me last year on a motion to have an appropriate committee make a check into this and other Government corporations.

Mr. DONNELL. Would the Senator not consider that we would at least be subject to the criticism of being derelict in our duty, whether or not we were



members of the Committee on Agriculture and Forestry, if we voted to increase the borrowing power of the Commodity Credit Corporation by \$2,000,000,000 without knowing whether or not this \$366,000,000 item has been cleared up?

Mr. WILLIAMS. I think that is correct. I shall not read the entire report. I should like to read one paragraph of the report. It comes from the report which the Vice President handed down a few minutes ago. The report points out that during the past 12 months they have accounted for all of the \$366,000,000 except \$96,000,000. The Comptroller General has pointed out that it was necessary to deduct from the over-all accounts receivable \$96,000,000 in order to balance the books. Even then the Comptroller General did not say that he knew he had the answer.

The report states:

Because of accounting and record-keeping deficiencies, including delays in recording current transactions and in correcting errors and other deficiencies in transactions applicable to prior periods, the accuracy of the amounts shown as the total net losses, and the amounts shown as the gain or loss on individual commodity programs and groups of programs for each of the fiscal years 1946 and 1947, is impaired to an extent not fully determined.

It is further said that the report is sent more or less as the best they can submit, but they do not vouch for its accuracy.

I think it is time we tell these corporations that we expect them to account for their money.

Those paragraphs are from page 142 of the Comptroller's report, which was just handed down this afternoon by the Vice President. The report covers the period of the fiscal years 1946 and 1947.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nevada.

Mr. MALONE. I should like to ask the distinguished Senator from Delaware if the amendment offered by the Senator from Vermont [Mr. AIKEN] this afternoon, to improve the bookkeeping of the organization, would have in the future answered the criticism now being offered by the Senator from Delaware.

Mr. WILLIAMS. No; I do not think so. It would have helped a great deal. Does the Senator refer to the last amendment?

Mr. MALONE. Yes.

Mr. WILLIAMS. The last amendment offered by the Senator from Vermont would merely have made it compulsory for the Secretary of Agriculture to do what he told the Committee on Agriculture and Forestry, in making his application for this authority, he was doing. It would merely spell out in the law that which he said he was going to do.

Mr. HOLLAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Florida?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. Repeating, first, one thing, and asking the Senator to remember it, the Senator from Florida, and every other member of the Committee

on Agriculture and Forestry who is present, has no objection whatever to the placing in the RECORD of all the documents to which the Senator refers. I think the Senate is entitled to have them, the public is entitled to them, certainly we have no objection to their inclusion.

What we do object to is anything in the nature of a condition as imposed by the Senator from Delaware, which would make it appear that the members of the committee are acceding to the statement of account as being true and the best statement that can be made, or as clearing up the situation to which we have been addressing ourselves diligently for a period of months.

Let me say to the Senate and to the Senator that if the Senator is seeking to create the impression that this committee has been a rubber stamp committee which has acceded to everything the Department of Agriculture has wanted, the Senator is obviously overlooking the fact that the committee has not taken that position, but has refused to go along on the Irish potato program that was suggested, has insisted upon clearing up the functioning of the Commodity Credit Corporation insofar as the bylaws affecting charge-offs or allowance of claims are concerned, and has in many other particulars taken positions which were completely independent, and were addressed to the very objectives the Senator is now discussing, namely, getting in as nearly perfect condition as we could the past picture of operations, and the present program of operations, so that the corporation may be operated in a way that cannot be properly criticized.

I believe that the Senator should, in candor, state that the committee, each time he has appeared, backed him up in his insistence that the difference in auditing between the General Accounting Office and the Department of Agriculture be cleared up and be brought to a conclusion, so that we could see clearly what was happening and what had happened.

In closing, let me say again that no member of the committee objects to the inclusion of every one of the documents to which the Senator has referred, but we do all object to any conclusion or any assumption to the effect that the committee admits and accedes that the statement sent in is the best showing that can be made, and is the true and final account and that we are satisfied with charging off \$96,000,000, when no member of the committee has taken any such position.

Mr. WILLIAMS. Mr. President, I am not asking the Senator from Florida or any other Senator to agree to anything. If in this report I make any statement that is wrong, I wish the Senator would correct me, because I think this is the time to get the matter cleared up.

I had assumed that the Committee on Agriculture and Forestry was familiar with the report, because I knew they took interest enough in it to ask for it from the Comptroller General, and I had every right to believe they would read it when it came to the Senate. It was from this same committee, after I ap-

peared there, that there came the notice to the effect that everything was cleared up and everything was lovely. It developed later that everything was not lovely, and that we lack \$96,000,000, and I want to straighten that out here tonight.

Mr. President, during the past year there has been considerable controversy regarding the question of the bookkeeping policies of the Commodity Credit Corporation—

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. DONNELL. From what is the Senator reading now?

Mr. WILLIAMS. I am merely trying to review briefly the history, and most of my statement is taken from the report.

Mr. DONNELL. I thank the Senator.

Mr. WILLIAMS. I am merely trying to review the record, as briefly as possible. I do not think it will take very long, but I want to review it in order that the members of the committee and of the Senate may understand exactly what is going on in this agency, because everyone seems to be taking the attitude that this is the end of the matter, and that they cannot find more of this money.

Mr. President, I repeat, during the past year there has been considerable controversy regarding the question of the bookkeeping policies of the Commodity Credit Corporation, particularly regarding the question as to whether or not the Commodity Credit Corporation had given proper accounting for the billions spent during the wartime period.

On March 25, 1949, I made the statement on the floor of the Senate that I had received information to the effect that if the books of the Commodity Credit Corporation for the period ended June 30, 1945, were examined, we would find over \$350,000,000 listed as unaccounted for.

On March 29, 1949, 4 days following my statement, the Secretary of Agriculture, Mr. Charles F. Brannan, issued a denial and stated that "the \$350,000,000 was accounted for."

On the same date Mr. Brannan further stated, in a letter, which was inserted in the CONGRESSIONAL RECORD by the Senator from Illinois [Mr. LUCAS]:

Senator WILLIAMS is now, therefore, bringing up matters which have already been thoroughly investigated and on which full corrective action has already been taken, and they were thoroughly covered in investigations conducted by Judge Tarver pursuant to House Resolution 50 in the spring of 1945.

As I have said, that statement was put into the RECORD by the majority leader.

Presumably the Senate had every right to expect that that statement had some degree of accuracy in it, coming from the Secretary of Agriculture. Yet today we find that, instead of this covering the situation which was investigated in 1945, the Comptroller General in the report today says that for the past 12 months he has been reviewing this case, and of the \$366,000,000 unaccounted for at that time, he had found all but \$96,000,000. As I have said, since that time numerous conflicting statements have been made by responsible officials, first admitting and then denying that



the books were in disorder or that substantial amounts had not been accounted for, until today no one except those who have followed the case very closely know just what has happened.

I believe that statement is borne out by the fact that here tonight several members of the Committee on Agriculture and Forestry stood up and admitted that they did not know what had happened.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. DONNELL. The books about which the Senator is talking are the books of the Commodity Credit Corporation; are they not?

Mr. WILLIAMS. They are, as audited by the Comptroller General of the United States.

I now check back through the Comptroller General's statement, in which he said that this matter had been investigated in 1945. I checked the records back and found that in December 1944 the Subcommittee on Department of Agriculture Appropriations received information indicating possible mismanagement and waste of public funds in the War Food Administration, which was the name of the agency under which the functions of the Commodity Credit Corporation were conducted during the war. Subsequently, following the passage of House Resolution 50 on January 8, 1945, an investigation of the activities of this Corporation was authorized. Congressman Tarver, of Georgia, was chairman of this subcommittee.

On June 27, 1945, this subcommittee investigating the Corporation submitted a report to the House of Representatives—House Report No. 816 of the Seventy-ninth Congress. This is the same report to which Mr. Brannan referred in his statement of March 29, 1949, at which time he indicated that the investigators were fully satisfied with the operations of the Corporation. As evidence of just how satisfied this subcommittee in 1945 under Judge Tarver considered the operations of this Government Corporation, I read one paragraph from this report, which can be found on page 13, in the conclusion of the report. This is the report made by Judge Tarver's committee, and a report which Mr. Brannan said completely exonerated the War Food Corporation or the Commodity Credit Corporation of any mismanagement. I read:

It is impossible for all of the deficiencies in the operation of the WFA to be justified upon the basis of the magnitude of the overall operations. Many of them have been deficiencies of the type which should have at once required the most diligent efforts for their correction on the part of the supervisory officials as soon as they were called to their attention, whatever the magnitude of the operations. We appreciate the fact that the WFA has indeed been faced with tremendous problems and we feel that the pride expressed by Judge Marvin Jones, present Administrator, in the course of the hearings, that no ship has had to sail without the requested food aboard and that, generally speaking, all commitments made by the WFA for delivery of commodities under the lend-lease program have been met, is thoroughly

justified. WFA has met a national need in a period of extreme emergency and the over-all result has been one of which the people of this country have the right to be proud. The committee does feel, however, that these facts do not excuse errors in administration which were avoidable or which, if unavoidable, could have been corrected and were not corrected after proper notice of their existence had reached those who were in position to bring about corrective action. There appears to be no logical reason why more accurate records of WFA could not have been kept nor why the commitments of WFA could not have been met as readily or perhaps more readily if this had been done. The committee realizes that it was difficult to organize the regular flow of commodities to shipside due to the irregularity of ship schedules but there appears to be no logical reason for inefficiencies in administration which have resulted in some cases in commodities which are in demand in the civilian market remaining in storage until they reached such a deteriorated condition that they are unfit for human consumption.

I may point out that in the same report Judge Tarver's committee criticized very seriously the fact that there were men of irresponsible character holding office. The report pointed out how in one instance an embezzler, a man who had been convicted at least twice of embezzlement, was holding a responsible position, and that he had received three different promotions after that fact had been called to the attention of the Corporation. Instead of firing him, they promoted him three different times.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. I assure the Senator from Delaware I have no desire to interfere unduly with the continuity of his speech, but I should like to ask him a question. The Senator made mention earlier this evening of an instance of two carloads of grain having been billed to the Government, and \$45,000 collected, as I understood, for those two carloads, but as a matter of fact the two carloads were never received by the Government. Does the Senator propose to tell us how that happened, and whether or not any suit was necessary to get back the money?

Mr. WILLIAMS. I have all the facts with reference to that matter in the report which I intended to insert in the RECORD. It was two carloads of canned meat instead of grain, and the canned meat was shipped from Buffalo, N. Y. The shipment was carried on the books of the Corporation as two carloads of canned meat which had been shipped to Russia. It is difficult for me to understand why the transaction was not followed through. Upon writing to the Department about the matter, I was told they would be unable to reconstruct the files, that it would be too expensive. I told them I was very suspicious of that item. I insisted on an investigation being made of it. After a little correspondence I told them I would be forced to take other steps if they could not at least check this case. I received a letter from them that the money had been paid. When I checked into the matter of when the money had been paid it seemed that it had been paid in 1948, after my last letter went to the Department, in which

I told them I would not take "No" for an answer and that I expected them to give me complete details.

Mr. DONNELL. Did the Senator ascertain whether or not any inquiry was made by the Government officials as to whether the acquisition of the \$45,000 by these parties was criminal in nature, or unintentional, or negligent, or just what was the explanation.

Mr. WILLIAMS. I am not a lawyer, and I do not know, but from my understanding of the case it looked to me simply like a very slipshod bookkeeping system. I think it was a case where the Corporation had bought two carloads of canned meat. It seems they were doing quite a little business with these companies. They overpaid them for two carloads which were not delivered. The Corporation carried the item on one side of the books for a while, and then on the other side of the books, and the transaction was closed out. The case was 7 years old at the time I found it. It certainly must have been felt that the money was owing, although a 7-year-old claim could not ordinarily be collected. If any criminal charges could at one time possibly have been brought, they could not be brought at this time, because the case is too old.

That is why I say, Mr. President, we are negligent in our duty in not insisting upon the books being brought before us. On transactions which occurred in 1946 or 1947 we cannot collect the money unless those who owe the money see fit to pay it. It would be much easier to straighten out the books if they were brought in when they are supposed to be.

From this statement it is evident that the committee conducting the investigation in 1945 under Judge Tarver was far from satisfied as to the operations of this corporation.

On February 24, 1945, Congress passed Public Law 4 of the Seventy-ninth Congress, known as the Byrd-Butler Act, which instructed the General Accounting Office to audit all Government corporations, including the Commodity Credit Corporation, and render a report of its findings to the Congress at the earliest date possible, with further instructions to the General Accounting Office that such audit be made of every Government corporation at the close of each fiscal year ended June 30, and that the report of their audit should be submitted to the Congress no later than January 15 following the close of each fiscal year.

In other words, the 1949 books have been overdue since last January. The 1948 books were due a year ago. The books which we have here today were under the law supposed to have been submitted to the Congress 3 or 4 years ago. Other Senators know as well as I do that every American citizen must render a report to the Government on March 15 of each year as to his income, and give Uncle Sam his share of that income. Picture Uncle Sam letting a man who fails to report for 4 or 5 years go free of payment of his income tax simply because he tells Uncle Sam, "I have lost some records, and I am trying to get them straightened out. I lost \$96,000,000 somewhere, but do not worry; if



I had the records they would be good." Yet, that is exactly what Congress is doing with respect to this Government corporation. We passed a law providing that they must submit the books once a year. We are not requiring them to do so. We let them get away with it. We know the books are in bad shape. We pay the General Accounting Office to audit the books. We receive such audits, but half the time we do not read them. We must take steps to remedy this condition.

Mr. President, I was glad to have the Senator from Illinois interrupt me. Any time any Senator desires to interrupt my statement I wish he would do so. Now is the time to ask questions, to have matters cleared up. If Senators do not ask questions I assume that those who are listening are accepting my statement without challenge.

During the early part of 1949 it was called to my attention that if and when the audit report for the Commodity Credit Corporation were examined by the Congress we would find that it would contain the charge that over \$350,000,000 was unaccounted for. I was greatly concerned with this information, and upon investigation was very much surprised to find the audit reports from the General Accounting Office on the Commodity Credit Corporation for either the period ending June 30, 1945, or for any of the subsequent years up to that period, had not as of that date been submitted to the Congress, notwithstanding the fact that nearly 4 years had elapsed since the passage of the Byrd-Butler Act, which requires that those books be delivered to Congress.

Failing to obtain any definite information as to when such a report would be made available to the Members of Congress and in view of the alarming rumors that if and when such a report would be made available that it would contain rather serious charges of loose bookkeeping as well as the charge that millions of dollars were unaccounted for, I felt that I had no alternative other than to report to the Congress my suspicions and request that Congress pass a resolution providing that these books be submitted forthwith.

Therefore, on March 25, 1949, I made a report to the Senate outlining the information which I had received and at that time introduced a resolution—Senate Resolution 94—requesting the immediate delivery to the Senate of the books of the Corporation as of that time. My remarks of that date appear in the CONGRESSIONAL RECORD on pages 3254–3256.

On March 29, 1949, the Secretary of Agriculture, Mr. Charles F. Brannan, addressed a letter to the Honorable SCOTT W. LUCAS, the majority leader, a copy of which was inserted in the CONGRESSIONAL RECORD of that date and appears on page 3483, in which he emphatically denied my allegations as appearing in the CONGRESSIONAL RECORD of March 25, 1949, and made the statement that "The \$350,000,000 was accounted for," and that I was bringing up matters which had been thoroughly investigated and on which full corrective action had already been taken.

On the following day, March 30, 1949, as a result of my resolution presented on March 25, 1949, after the Secretary of Agriculture made the statement that all of the \$350,000,000 was accounted for, the Honorable Lindsay C. Warren, the Comptroller General of the United States, submitted a report on behalf of the General Accounting Office covering its examination of the Commodity Credit Corporation for the period ended June 30, 1945. This report was made official House Document No. 148.

Notwithstanding the fact that only the day previous the Secretary of Agriculture had denied my statement that over \$350,000,000 could not be supported or verified, there is found on page 33 of this report this statement:

The amount of \$366,643,129 recorded as due from sales made in the General Commodities Purchase Program could not be supported nor verified.

That statement on the part of the Comptroller General was sent to the Congress just 1 day after the Secretary of Agriculture had said everything was accounted for, and, I may say, just a little over a year before the Secretary of Agriculture said to the Committee on Agriculture and Forestry—and a copy of his statement is included in the CONGRESSIONAL RECORD for yesterday—that he had found all but \$96,000,000.

So apparently we cannot take the word of the Secretary of Agriculture relative to what is going on in that agency because there are the conflicting statements which he himself has made to the Congress in that period of time.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Delaware yield to the Senator from Missouri?

Mr. WILLIAMS. I yield.

Mr. DONNELL. As I understand, the Comptroller General has stated that he has found explanations for all but \$96,000,000 of the \$350,000,000. Is that correct?

Mr. WILLIAMS. That is correct; he arrived at that conclusion subsequent to the report made to the Congress last year.

In the report submitted today to the Congress, a preliminary summary of which was submitted to the Committee on Agriculture and Forestry on March 31 of this year, the Comptroller General said that during the period intervening since last year, in auditing the books of the Commodity Credit Corporation for 1946 and 1947, he has accounted for all but \$96,000,000, but he thinks we might just as well forget that.

Mr. DONNELL. In other words, forget the \$96,000,000?

Mr. WILLIAMS. I think the Comptroller General is correct, according to what I understand, after examining the books, because the records have gone—except that I feel that we should place responsibility where it belongs for the loss of the \$96,000,000; we should determine who is responsible for losing track of that amount of money.

Mr. DONNELL. Has the Comptroller General explained how the other \$270,-

000,000 happened to be unaccounted for over a considerable period of time?

Mr. WILLIAMS. Yes.

Mr. DONNELL. As I understand, at first the Comptroller General said that \$366,000,000, in substance, could not be accounted for.

Mr. WILLIAMS. That is correct.

Mr. DONNELL. Now I understand that all of that has been accounted for except \$96,000,000, so the Comptroller General has found some accountability for the \$270,000,000.

I wonder whether he has informed the Senator or the Senate or the Congress how the other \$270,000,000 had temporarily been unaccounted for. Has he done that?

Mr. WILLIAMS. Yes; I think he has done that to fairly good advantage in the report, which is rather voluminous and detailed. It seems that there would be transactions which would not be recorded on the books—transactions, I suppose, similar to the item I happened to uncover, the one I explained to the Senator, the item of \$45,000 which the Commodity Credit Corporation had paid for, but had never received delivery for. Furthermore, they had triplicate items out, and again they had items charged on the books, but about which perhaps they did not know.

The Comptroller General said the trouble was due to a loose bookkeeping system and due to the irresponsibility of the administrators.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Does the Comptroller General tell us whether or not the Commodity Credit Corporation has put into effect a better system of bookkeeping, under which such discrepancies may no longer be expected to occur?

Mr. WILLIAMS. Yes; I understand that the Commodity Credit Corporation has made great improvement in its bookkeeping system. The Comptroller General told us last year that the Commodity Credit Corporation was making great improvements.

However, I am somewhat concerned over the fact that in the report coming to us today from the Comptroller General, he warns us that the report he is submitting for those 2 years contains so many inaccuracies that he cannot exactly certify that the report is correct, because there are so many deficiencies in the Corporation's accounting policies or accounting system. He says that is the result of the Corporation's failure to record current transactions.

Of course there is no reason why an agency handling so much of the Government's money should not record its transaction as it goes along. Naturally, if the agency does not keep records or books of its transactions, the books or records cannot be audited as they should be.

In last year's report the Comptroller General pointed out an instance in which \$20,000,000 had been paid by one agency without being recorded on the books at all.

I assume that a great many of the records for the amount of money which



was unaccounted for have been reconstructed.

Mr. DONNELL. Let me ask whether the Comptroller General thinks there is any reason to make a further search as to the possible unaccountability of the \$96,000,000.

Mr. WILLIAMS. No; because for the past 2 or 3 years the Comptroller General has had a group of auditors working on the books of the Commodity Credit Corporation; and he feels that they have reconstructed all the records they can reconstruct. After all, since 6 or 7 years have passed, and since time is moving along, and since the records cannot be found, he does not know what else can be done about it; and I do not, either.

However, I think it is inexcusable for us to consider giving \$2,000,000,000 more to a Government corporation which has not submitted records for its operations over the past 2 years. There must be something wrong with its books; otherwise it would send us its books for the past 2 years. Perhaps the books are out of balance and the Corporation does not want to tell us about that.

Today the Corporation says it is unable to account for \$96,000,000 of the taxpayers' money. Mr. President, if we continue to permit such delay in accounting or reporting the transactions of the Corporation, I do not know how much money may be unaccounted for in a few years. It might be that there will not be any money unaccounted for, but I think at least we have a right to know promptly, in accordance with the requirements of law, what is shown by the books of the Corporation.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Some of us, who come from communities where \$96,000,000 would be a considerable sum of money, share the apprehension of the Senator from Delaware, wonder—or, at least, one of us wonders—whether the Senator from Delaware has come into contact with like careless methods of bookkeeping in any other department or agency of our Government.

Mr. WILLIAMS. Yes; I have been examining more than one branch of the Government.

The other day I stated that the RFC reports for the last 2 years, I believe, have not been submitted to the Congress: at least, I know the RFC is behind in submitting its books, and the report which was submitted was seriously criticized by the Comptroller General.

We have been permitting many of these Government corporations to handle billions of dollars of the Government's money without making any accounting at all either to the Congress or to the American people, but at the same time we employ hundreds of certified public accountants in the General Accounting Office, and give them instructions to audit those books.

The Senator from Nebraska was one of the cosponsors of one of the very good bills on this subject which was enacted. Yet so far as the results are concerned, perhaps it would have been better if we had never passed the bill, for then we

would have saved the cost of having the auditors do that work, because certainly there is no use in employing auditors to do a job if they are required to report that they are unable to make an accurate report about it. The Corporation has said, in effect, "Do not worry if the auditors cannot find all the items or cannot account for all the amounts. Everything is lovely, because we have the utmost confidence in the man at the head."

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. I was going to mention the act which the Senator from Virginia [Mr. BYRD] and I sponsored in 1947, known as the Butler-Byrd Act, which the President signed. I can hardly agree with the Senator from Delaware that it might have been just as well if the bill had not been passed and had not been enacted into law. I think the Senator is mistaken about that because the bill has done a great deal of good. One of its requirements is that each Government corporation shall make an annual report to the Congress.

I am a little surprised to hear the Senator say that the RFC has not made a report in 2 years.

Mr. WILLIAMS. When I said it might have been just as well if the bill had not been passed, I did not mean that in the strict sense of the words I used. I think the intention of the Senate when the bill was passed was that the audited reports should be submitted to the Congress. However, that has not been done. I think it was the intention of the Senator from Nebraska that the audited reports should be submitted to the Congress annually, and I think the intention was good. I wish to have the act kept in force, and I wish to make the Government corporations comply with its provisions.

Mr. BUTLER. Mr. President, if the Senator will yield to me again, I should like to say that the first year following the passage of the Corporation Control Act, there was submitted to the Congress a one-volume report showing the condition of each and every Government corporation, what it had on hand, and what it was expected to ask for the ensuing budget. I remember very distinctly one Government corporation that had been in the process of liquidation over a period of years, which asked for an additional \$40,000 for the ensuing year in order to complete its liquidation. In looking over the report, I might say, I noticed that it had liquidated everything except two items, which, added together, made a total of \$247. Yet the corporation asked for \$40,000 in order to continue liquidation for another year. I think the Corporation Control Act has really brought them to book, if someone, whose responsibility it is, sees to it that the reports are filed annually with the Congress.

Mr. WILLIAMS. I agree with the Senator.

Mr. DWORSHAK and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom?

Mr. WILLIAMS. I yield first to the Senator from Idaho.

Mr. DWORSHAK. Does not the Senator from Delaware feel that it will require a complete change of national administration, involving the executive branch of the Government, so that it will be possible to examine these records in the various agencies to determine what has been done with these billions and billions of dollars of Federal funds?

Mr. WILLIAMS. I agree fully with the Senator, and that is the reason why I am not going to insist on any further investigation of this matter. From my experience of the past 15 months, I am thoroughly convinced it is a waste of time and effort to try to get any further information from this Corporation. As I abandon the effort, however, I want to say that I am not satisfied with its operations, and I am not going to remain silent. As one individual Senator, I shall continue to watch.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. I desire to commend the Senator from Delaware. I am sure he is rendering a distinct service to the Senate, to the Congress, and to the American people. If it were not for the efforts of such Members as the Senator from Delaware, I am sure it would be even more difficult to expose some of the questionable operations by the various corporations, bureaus, and agencies of the Government which handle billions of dollars of Federal funds.

Mr. WILLIAMS. I thank the Senator. In reply, I may say that the only reason we are able to obtain as much information from these corporations as we do is because of the Byrd-Butler Act, which was passed in 1945, which requires them to report, to a certain extent. The Senator from Nebraska called attention to one corporation which wanted \$40,000 for the purposes of liquidating, I think he said, \$240. I was not amused, I was rather concerned with a Government corporation, the United States Spruce Corporation, as to which it was developed, as I recall, that they had two conditional sales contracts, upon which semiannual payments were being made. In 1947, when I came to the Senate, the first report I saw from that corporation showed that it had a president, a vice president, a chauffeur, a secretary, and a treasurer, all handling four checks a year which were coming to the corporation. They had a car. Of course, they had to have a car for the chauffeur, with the president riding around, back and forth. For 27 years that corporation had been in existence, doing practically nothing but collect four checks a year, payable semiannually.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield.

Mr. DONNELL. This refers to the colloquy between the Senator from Delaware and the Senator from Nebraska. I think we all agree that the Byrd-Butler bill was, and still is, an excellent piece of legislation, and we are glad it was passed. I want to ask the Senator a question, however, based on this fact:



I realize that the Byrd-Butler law requires reports to be made. Here we are in the Senate, every one of us going along from day to day, with our various duties, which are reasonably heavy in most instances, and it is easily possible, of course, that we do not realize that Government corporations may or may not be observing the provisions of that law. If they are not observing them, would the Senator from Delaware think it advisable that we give consideration to the introduction and passage of some type of legislation which would cause their failure to comply with the terms of the Byrd-Butler Act to come to the attention of the Senate; as, for illustration, a bill making it the duty of some particular individual to submit to the Senate annually a report as to corporations that are behind in the furnishing of their reports; and, in addition to that, in order to guard against the possibility that the particular official's report might become lost in the archives, making it the duty of someone, perhaps the President pro tempore of the Senate, or the Vice President himself, personally to read audibly in the hearing of the Senate the list of each and every corporation that is delinquent in the performance of its duties; so that we would have notice, in the CONGRESSIONAL RECORD, and audibly in our ears, of the government corporations that have not complied with the terms of the Byrd-Butler bill? Does the Senator think that some such legislation as that would be desirable to be considered and enacted?

Mr. WILLIAMS. I may say we already have pretty much that on the statute books. The Byrd-Butler bill provides that the Comptroller General of the United States shall audit the corporations, and render a report to Congress. The Comptroller General, in the report received today for the Commodity Credit Corporation for the 2 years 1946 and 1947, for which time he says he can account for all but \$96,000,000, and that much was deducted from the general accounts receivable, he nevertheless says that, at the same time, the reports for the past 2 years are not available. The Comptroller General has a list of all the delinquent corporations as of today, which have not submitted their reports to Congress. The difficulty is that when these reports are received, and laid before the House, by the Speaker, or before the Senate by the Vice President, as was done today, many times they are not read.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. That is precisely the point that is in my mind. That is, a bulky report comes to the Senate. The Vice President says, very properly, "The Chair lays before the Senate a report from such and such a corporation," and out it goes on the clerk's desk. It is taken off to some proper depository, and the Members of the Senate pay no attention.

I am wondering whether in the opinion of the Senator it would be advisable that it be made the specific duty of either the Vice President, or the President pro

tempore, or the clerk, or the Secretary of the Senate to stand here in person and read the report in full to the Senate, so that every Member present at any rate would have it within the actual, physical confines of his own ears, that such and such corporations were delinquent. Does the Senator think that that might be advisable as something to be considered?

Mr. WILLIAMS. I think that at least we should read a summary of the report. Of course, these reports are very voluminous.

Mr. DONNELL. Mr. President, if the Senator will yield, I did not mean that the report be read. I meant, would it not be advisable, in order to avoid the contingency that we do not know what corporations are in default, that it be made the duty of some official of the Senate to stand in the rostrum of the Senate and read in full the list of each and every corporation which is delinquent in the filing of its report.

Mr. WILLIAMS. I think that would be most desirable, and it would be well to have that done. That is what I am trying to do here tonight, to read this report. I have been a little bit concerned at—should I say the apparent lack of concern on the part of many of the administration officials, who do not seem to care too much as to what is going on? I remember the first day I called this matter to the attention of the Senate. The majority leader took rather violent exception to my statement, although it was later supported by the General Accounting Office. He said he just could not conceive of any corporation operating under such loose book-keeping methods, that he could not help but feel that the Senator from Delaware was making a statement with the sole purpose of getting his name in the newspapers, and that there was no truth to it. He said if there was any truth to it, he would be the first to demand an investigation of the Corporation.

Five days later the Comptroller General stated that every statement made by the Senator from Delaware—and I inserted the letter in the RECORD—was in accord with the audit findings. He took no exception whatever to any statement I made that day. The Comptroller General went on further and said that instead of \$350,000,000 being unaccounted for, the amount was \$366,143,129.

For some strange reason which I do not understand, the majority leader lost all of his enthusiasm over this report after it came out. The report was one of the most bitter reports in its condemnation that I have ever read.

I had no assistance from the majority leader and heard nothing from him at all since that time as to what he thought should be done with the Corporation, except that he is willing to give it \$2,000,000,000. He was a member of the Committee on Agriculture and Forestry. I told him in early March that I did not think it was fair to ask me or any other Member of the Senate to vote on the question of giving this Corporation \$2,000,000,000 until we had an opportunity to examine the books. A resolution was adopted by the committee ask-

ing that the books be submitted, and the members of the committee gave every indication that they would see that they were here before we were asked to vote. But today we do not have the books for the past 2 years. Only within the past 2 weeks have we had them for 1946 and 1947. Yet the Senator from Illinois objects to my inserting the review in the RECORD, on the basis that he has never read it. This report has been before the committee of which he is a member since the 31st day of March. The report shows that as of June 30, 1947, there was \$96,000,000 unaccounted for and the records are such that it cannot be found. The majority leader is not on the floor at this time. Perhaps he has other more important things which demand his attention. But I feel that the time has come when the people of the country must take the situation into their own hands if they want to know what is going on in their Government.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. I will say to the Senator that I did not understand that either the Senator from Illinois or the Senator from Florida was objecting to the placing in the RECORD of the documents and information which the Senator has. I think there was objection on the part of the Senator from Florida to the condition, as he put it, being attached to the receipt of the information in the RECORD, as he thought we would be bound by the contents.

Mr. WILLIAMS. That is correct.

Mr. DONNELL. I did not understand that either of the Senators was objecting to the insertion in the RECORD.

Mr. WILLIAMS. They had no objection at all to my inserting the statement in the RECORD as my own statement, but they did not want it inserted as being the conclusions from the Comptroller General's report, because they had not had an opportunity to study the report. They did not even know that the report had been in the committee for 8 or 9 weeks. That is evident from the debate tonight. Yet the committee, upon my request, adopted a resolution to ask for the books and, when the books were sent, they did not know they were in the committee. That is the reason they objected tonight.

I did not dream of such a thing as having the report without reading it. It is a very short summary. I certainly thought they had read it. As one member of the committee, I would not be asking the Senate to pass on \$2,000,000,000 without having read the report. After another Member of the Senate had appeared before the committee and told me the books were not in order and had asked that they be submitted, I think I would have known when the report came in, and I think the Senator from Missouri would have known it. I think he would have known enough about it to say whether he would accept it.

When the Secretary of Agriculture said the report was wrong he was not calling me a liar. The Comptroller General, a few days after furnishing a denial



that anything was out of line, stated that \$96,000,000 was unaccounted for. A year later the Secretary of Agriculture sent a report—he must have known what he was talking about—that during the past 12 months he found that of \$366,000,000, \$96,000,000 was unaccounted for. Just forget the \$96,000,000.

It is rather interesting to note that the books balance with the \$45,000 item out of line. If the books had been out of balance I could have understood it, but the amazing thing is that the books balanced without these other items. They are small in comparison with \$96,000,000; but I know enough about keeping books to know that they either balance or they do not balance. If they balance to a penny, and someone finds an item of \$45,000 here, and other amounts there, I know that those books could not possibly have been in balance except as something was written off to make them balance.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. Is the Senator aware of the fact that the Secretary of Agriculture is busily engaged in making extensive tours and speeches throughout the country in an effort to sell the Brannan plan to the farmers, and that possibly he should not be held to a strict accountability insofar as the operations of the Commodity Credit Corporation are concerned, in view of the fact that he has business which he deems more vital and more important than a careful supervision of the various agencies within the Department of Agriculture?

Mr. WILLIAMS. I remember that a few days ago the Senator from Vermont [Mr. AIKEN] pointed out that the Secretary was campaigning throughout the country and that in one instance, I think, in Minnesota, he paid approximately \$100,000 of the Department's funds to be sure he had an audience. I do not have any way of knowing, but there have been many audiences in the past 20 years, and possibly some of them could be accounted for in that way. I do not say that any of the unaccounted-for money has gone to pay for audiences, but with the records gone, I cannot say that it has not.

In order that the Senate might know just how far off base Mr. Brannan was in his statement of March 29, 1949, I shall quote a few other excerpts from this official report which was submitted to Congress by the General Accounting Office on March 30, 1949:

Our examination of the affairs of Commodity Credit Corporation was seriously impeded by major deficiencies in accounting policies and procedures and methods of financial reporting (p. 20).

In other words, the Secretary felt that he was above being called to render an accounting to the American people, because the Comptroller General said he was impeded in his audit by the apparent lack of appreciation on the part of the management of accurate financial reporting.

I read further:

The primary causes of the failure of the accounting function were found in the manner in which the functions of the Corporation were intermingled with others of the Department of Agriculture, the apparent lack of appreciation by the management of the necessity for accurate financial reporting (p. 20).

The Corporation did not maintain adequate control over amounts recorded as being receivable or payable. It was not possible in many instances to determine who owed amounts purporting to be receivable or to whom amounts recorded as owing were due. It also was not possible to determine that all amounts owed to or by the Corporation were reflected in the accounts (p. 20).

In other words, they did not know whether the books showed the true picture as to the amounts involved, and they had no way of determining.

The Corporation did not exercise satisfactory control over its investment in fixed assets, particularly grain bins and related equipment. Records were not maintained in such a way as to enable the Corporation (or us) to know the location or condition of such assets, whether, in fact, they were still owned by the Corporation, or whether all income resulting from rental or sale had been received (p. 21).

That is rather interesting to me because only 6 months before the Comptroller General told us this in March, the Secretary of Agriculture and the President of the United States were all over the Midwest bewailing the lack of grain bins. They claimed they won the election because the Eightieth Congress had not supplied them with enough money to buy grain bins. Yet the Comptroller General, in his letter, said they did not know how much they owned, whether they owned any, or whether they were paid for what they sold. They did not know the location of them. In fact, they said neither they nor the Comptroller General could determine what they had. I checked further—and it is a matter of record—and I found that during the political campaign, while they were bewailing the fact that they did not have adequate grain bins, they were selling grain bins in Washington for a small proportion of what they cost, and they were selling new bins. Yet the Comptroller General said the reason they did that was not intentional. He said they did not know what they had.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. AIKEN. The Senator realizes, does he not, that legislation passed by the Eightieth Congress gave the Commodity Credit Corporation full authority to purchase and furnish the farmers with an unlimited number of grain bins, had such course been necessary.

Mr. WILLIAMS. That is true. They had all the authority it was necessary for them to have. They could have set up grain bins to hold every bushel of farm commodities. They sidetracked that either through ignorance or by intent—and I think one is as bad as the other—and they did not supply the farmers with the grain bins. Furthermore, to make things worse, the Senator from Vermont

knows that they actually pulled out from under the grain market during the election period and let the market go to pieces so that they could win the election.

Mr. AIKEN. As a matter of fact, every phase of the farm-storage program which the Secretary of Agriculture announced on June 6, 1949, could have been put into full effect in August of 1948 had the Secretary and the Department of Agriculture been so minded.

Mr. WILLIAMS. They could have, had the Secretary not felt that it would be politically expedient not to do so.

Mr. AIKEN. It was politically expedient, and it worked.

Mr. WILLIAMS. It worked; that is correct. I read further from the report:

The amounts of assets, liabilities, revenues, and expenses which were omitted from or improperly classified in, the Corporation's financial statements as the result of those circumstances were not determinable. Unrecorded liabilities are known to have existed but no representations can be made concerning either their aggregate amount, which we believe was substantial, or their effect upon the financial statements (p. 22).

In other words, they said unrecorded liabilities are known to have existed.

A duplication of \$2,329,483 between loans held by the Corporation and those held by private lending agencies was observed in connection with cotton loans. As a result of the above circumstances, the amount of cotton loans indicated in the above summary as outstanding at June 30, 1945, is presented from Corporation records without satisfactory verification (p. 35).

The recorded balance of loans outstanding on wheat is known to be overstated by approximately \$4,000,000, with a corresponding overstatement of accounts payable (p. 35).

The natural-cooler facility is a natural cave located on the site of a limestone quarry near Atchison, Kans. Its recorded cost to June 30, 1945, was \$1,772,009. The facility is said to provide 7,000,000 cubic feet of storage space, sufficient to store 2,800 carloads of commodities. The site is not owned but is occupied under the terms of a 5-year lease (p. 38).

It is about time for the lease to expire. We cannot move out and we are stuck with the investment, which is gone.

The amount of \$203,186,263 indicated as owed on purchases made in the general commodities purchase program could not be verified. No detail listing of individual creditors' balances could be obtained.

We are aware of an overstatement of approximately \$18,500,000 resulting from the failure to record cash disbursements of that amount on regional office records.

Numerous errors, omissions, and inadequacies in the application of accounting policies and procedures in the conduct of this program necessarily had an effect on the recorded balance of accounts payable.

No adequate record was kept of outstanding dairy or beef production payment program drafts, and no determination could be made as to the accuracy of the amount of \$130,000,000 shown above as estimated program obligations at June 30, 1945 (p. 39).

I call particular attention to the fact that these quotations which I have just read were taken from the report of the General Accounting Office, and they are charges which were made by the Comp-



troller General, the Honorable Lindsay C. Warren, against the loose management of the Commodity Credit Corporation, and are not charges which were made by me.

I call your attention further to the fact that this report containing these charges was received by Congress from the Comptroller General on March 30, 1949, or less than 24 hours after the Secretary of Agriculture, Mr. Brannan, made his statement that all funds had been accounted for.

Following the receipt of this information by Congress I introduced, along with a group of other Senators, a resolution—Senate Resolution 98—asking the appropriate committee of the Senate to investigate the affairs of this Corporation and to obtain, if possible, an accounting for the \$366,643,129 referred to in the Comptroller General's report. This resolution was referred to the Committee on Expenditures in the Executive Departments for its consideration.

Approximately 1 year later, on February 14, 1950, while testifying before the Senate Committee on Agriculture and Forestry on Senate bill 2826, to extend the borrowing power of the Commodity Credit Corporation by \$2,000,000,000, which is the same bill we are considering today, Mr. James R. Blakemore, Assistant Director of Corporation Audits Division of the General Accounting Office, and representing the General Accounting Office, left the committee and the press with the understanding that the General Accounting Office was fully satisfied with the records of this Corporation and that perhaps I had misunderstood their original report from which I have just quoted.

As a result of his testimony an article appeared in the press the following day, February 15, 1950, under the headlines "Charges of Shortage in CCC Do Fade-out." In that press release Mr. Blakemore was quoted as testifying that Williams had "misunderstood" their interim report for fiscal 1945 and in reality they had not meant to indicate in that report that anything was radically wrong with the accounting policies of this Corporation.

I have completed reading from the report itself. If that does not show that there is something wrong, I hope we never find a corporation in which there is something wrong.

In order that it might be clearly understood just how much of a misunderstanding I had at that time I want to quote my original statement made on March 25, 1949, following which I will quote from the Comptroller General himself, and you can determine for yourselves just how much of a misunderstanding there has been relative to this subject.

On March 25, 1949, I made the following statement on the floor of the Senate which appears in the CONGRESSIONAL RECORD on page 3254:

It has been reported to me, from sources which I consider very reliable, that over \$350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures.

I had directed a letter to the General Accounting Office, asking them to read the CONGRESSIONAL RECORD of that day, and to advise me whether or not my statement was correct. In a letter to me they replied as follows:

The amount of \$366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified.

No one could misunderstand the language of the Comptroller General at that time, and most certainly the only misunderstanding which I had was that the amount in my statement was understated by \$16,000,000.

As further evidence that there was no misunderstanding on my part, and that my remarks as appearing in the CONGRESSIONAL RECORD on March 25, 1949, were correct, I quote from a letter signed by Mr. Stephen B. Ives, Director of the Corporation Audits Division of the General Accounting Office, dated March 29, 1949, in which he said:

In reply to your letter of even date, the statements made by you, appearing on page 3254 of the Congressional Record of March 25, are in accordance with our audit findings.

The implication has been given during recent weeks by the Department officials that while this \$366,000,000 might have been unaccounted for as of June 30, 1945, perhaps it had been accounted for since then. They further inferred that the Senator from Delaware had been advised to that effect and withheld such information from the Senate.

To my recollection no letter had ever been received by my office either from the General Accounting Office or from the Commodity Credit Corporation since the time I had originally called these irregularities to the Senate in March of 1949. However, to make sure that I was correct, and that no further report had been received either by me or by any committee of Congress relative to an accounting having been made of this \$366,000,000, I directed a letter on February 20, 1950, to the Committee on Expenditures in the Executive Departments, which committee had been instructed by the Senate to investigate this situation.

Following the statement of Mr. Blakemore, and the statements of the officials of the Commodity Credit Corporation, testifying before the Committee on Agriculture and Forestry, that everything had been accounted for, I directed a letter a letter to the General Accounting Office asking them if it was possible I had overlooked such a letter coming to my office which would explain either all or any part of this amount of money.

At this time I ask unanimous consent to have inserted on the RECORD as a part of my remarks a letter dated February 20, 1950, signed by me, addressed to Mr. William Rogers, chief counsel of the Senate Investigating Committee, asking the committee if they had obtained any information subsequent to the delivery of the Comptroller General's report in 1949 relative to the disposition of either all or any part of this money, along with a copy of a reply which I received from the committee, signed by Mr. Rogers as chief counsel, in which

he said that the committee had not as yet received any information supporting or verifying any part of the amount.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
Washington, D. C., February 20, 1950.  
Mr. WILLIAM ROGERS,  
Chief Counsel, Senate Investigating  
Committee, Washington, D. C.

DEAR MR. ROGERS: You will recall that under date of March 30, 1949, the General Accounting Office submitted a report to the Senate concerning its examination of the Commodity Credit Corporation for the period ending June 30, 1945. In this report they stated that "the amount of \$366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified."

Following receipt of that report, I introduced in the Senate a resolution, No. 98, requesting that your committee conduct an investigation of this matter.

I would appreciate being advised at this time whether you have received from the General Accounting Office or from the Commodity Credit Corporation any information which would indicate that either all or a part of this \$366,643,129 has been supported or verified.

Yours sincerely,

JOHN J. WILLIAMS.

UNITED STATES SENATE,  
COMMITTEE ON EXPENDITURES  
IN THE EXECUTIVE DEPARTMENTS,  
February 20, 1950.  
Hon. JOHN J. WILLIAMS,  
United States Senate,  
Washington, D. C.

DEAR SENATOR WILLIAMS: Receipt is acknowledged of your letter dated February 20, 1950, concerning a report of the General Accounting Office dated March 30, 1949, regarding its examination of the Commodity Credit Corporation for the period ending June 30, 1945. You refer to the statement in that report that "the amount of \$366,643,129 recorded as due from sales made in the General Commodities Purchase Program could not be supported nor verified." You requested to be advised whether this subcommittee has received any information from the GAO or the CCC which would indicate that all or part of this \$366,643,129 has been supported or verified.

Please be advised that this subcommittee has not as yet received any information supporting or verifying the \$366,643,129 referred to in the above-mentioned report of March 30, 1949. In the event such information is received by the subcommittee we will be happy to discuss this matter with you.

Very truly yours,

WILLIAM P. ROGERS.

Mr. WILLIAMS. Mr. President, I read for the information of the Senate the last paragraph of this letter received from the committee and which has just been inserted:

Please be advised that this subcommittee has not as yet received any information supporting or verifying the \$366,643,129 referred to in the above-mentioned report of March 30, 1949. In the event such information is received by the subcommittee we will be happy to discuss this matter with you.

Mr. President, I call particular attention to the fact that this letter was written by the chief counsel of the Committee on Expenditures in the Executive Departments 6 days after Mr. Blakemore in testifying before the Senate Agricul-



tural Committee had given the impression that such an accounting had been made.

Recognizing that perhaps subsequent to the delivery of the report of March 30, 1949, the Honorable Lindsay C. Warren, the Comptroller General, might have written me a letter relative to the \$366,000,000 referred to in his report, with a further explanation than that contained in his report and that such a letter could have been misplaced or overlooked in my office, I directed a letter on the same date, February 20, 1950, to Mr. Warren:

Mr. President, I ask unanimous consent to have inserted in the RECORD a copy of my letter addressed to Hon. Lindsay C. Warren, dated February 20, 1950, and immediately following that a copy of a letter received from Mr. Warren in reply.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
Washington, D. C., February 20, 1950.  
Hon. LINDSAY C. WARREN,  
Comptroller General of the United  
States, General Accounting Office,  
Washington, D. C.

DEAR MR. WARREN: On March 30, 1949, you submitted to the Congress an audit report covering the operations of the Commodity Credit Corporation for the period ended June 30, 1945. In that report you stated that "the amount of \$366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified." In the testimony of Mr. James R. Blakemore, Assistant Director of Corporation Audits Division, General Accounting Office, before the Senate Committee on Agriculture and Forestry, on Tuesday, February 14, 1950, the impression was given that this amount has since been accounted for.

During his testimony Mr. Blakemore also stated that "we wrote Senator WILLIAMS a letter which, as I recall, was included in that debate. It may not have been, but we wrote him a letter trying to set forth in full just what this \$366,000,000 was." This testimony was given with reference to the statements I made on the floor of the Senate following the receipt of the report itself on March 30, 1949, since it was only after receipt of the report that I was able to refer to the specific amount of \$366,643,129. I have no record of ever receiving any such letter.

Will you please furnish me with an exact copy of any letter which was written by your office to me subsequent to delivery of the report on March 30, 1949, which contained information which would in any way account for all or any part of this \$366,643,129?

Will you please advise me now of the exact status of this \$366,643,129 which was in question as of March 30, 1949? How much of this amount have you been able to verify and how much did you have to mark off because it could neither be supported nor verified?

I am sending this letter by special messenger and request an immediate reply.

Yours sincerely,

JOHN J. WILLIAMS.

COMPTROLLER GENERAL  
OF THE UNITED STATES,  
Washington, D. C., February 21, 1950.  
Hon. JOHN J. WILLIAMS,  
United States Senate.

MY DEAR SENATOR WILLIAMS: This is with reference to your letter of February 20, 1950,

concerning the audit report on the examination of the Commodity Credit Corporation for the period ending June 30, 1945, and concerning testimony given by Mr. James R. Blakemore, Assistant Director, Corporation Audits Division, General Accounting Office, before the Senate Committee on Agriculture and Forestry on Tuesday, February 14, 1950.

In reply to the first request contained in your letter, please be advised that there was no letter written to you subsequent to March 30, 1949, concerning the amount of \$366,643,129 recorded as due from sales in the general commodities purchase program. In his testimony on February 14, Mr. Blakemore had in mind the letters of March 28 and March 29, 1949, which were written to you by Mr. S. B. Ives, Director, Corporation Audits Division, and which were placed in the CONGRESSIONAL RECORD on Friday, February 17, 1950. The fact that Mr. Blakemore referred to the amount of \$366,000,000 during his testimony on February 14 was not in any way intended to indicate that the letters were written to you prior or subsequent to the date of the report. Mr. Blakemore has informed me that at the time he testified he did not know the exact date of the letters, but only recalled that certain correspondence was addressed to you.

With reference to the second request contained in your letter, that you be advised now of the exact status of the \$366,643,129 in receivables, please be informed that this Office is preparing a statement as to the subsequent status of the receivables account and it will be furnished to you as soon as it is available, as you were advised on February 16, 1950. I am sure you will agree that it is desirable to spend sufficient time in the preparation of such a statement to present as clearly as possible the complicated factors involved.

Sincerely yours,

LINDSAY C. WARREN,  
Comptroller General of the United  
States.

Mr. WILLIAMS. Mr. President, I might say that both these letters deny that there had been submitted, either to the Senator from Delaware or to any committee of the Congress, any information prior to February 20 relative to the disposition of or accounting for all or any part of this \$366,000,000. Yet prior to this time a report had come out of one of the committees here that Williams was "all wet," and that the money was all accounted for. It is in order to get the RECORD straight that I am insisting on putting this record in tonight, and, as I said before, I have extended an invitation to any Senator who desires to take exception to anything going into the RECORD to interrupt.

I call particular attention to two questions asked in my letter and the replies to those questions as contained in the Comptroller General's letter.

The first question I asked was:

Will you please furnish me with an exact copy of any letter which was written by your office to me subsequent to delivery of the report on March 30, 1949, which contained information which would in any way account for all or any part of this \$366,643,129?

To which the Comptroller General replied:

In reply to the first request contained in your letter, please be advised that there was no letter written to you subsequent to March 30, 1949, concerning the amount of \$366,643,129 recorded as due from sales in the general commodities purchase program.

Mr. President, these letters are the same ones which have just been inserted in the RECORD, and which had been previously inserted in the RECORD, on February 17, 1950, and which appear at pages 1924 and 1925 of the RECORD.

The second question contained in my letter was as follows:

Will you please advise me now of the exact status of this \$366,643,129 which was in question as of March 30, 1949? How much of this amount have you been able to verify and how much did you mark off because it could neither be supported nor verified?

To which Mr. Warren replied:

With reference to the second request contained in your letter, that you be advised now of the exact status of the \$366,643,129 in receivables, please be informed that this Office is preparing a statement as to the subsequent status of the receivables account and it will be furnished to you as soon as it is available.

In other words, as of February 20, 1950, notwithstanding the fact that the Department of Agriculture and the Administration officials had made great efforts to give the impression to the press that all this money had been accounted for—and I am sure the Senator from Missouri, who sits before me, has seen some of the press accounts stating that all the money had been accounted for—yet, after this report had been printed in the press and given out, which was nothing less than a whitewash report, the Comptroller General said he had not written me informing me or the Senate that any part of the money had been accounted, and at the same time he said he was only then, as of February 20, preparing a statement for the Congress which would be submitted in a reasonable time.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. DONNELL. Inasmuch as the Senator mentioned the probability of the Senator from Missouri taking notice of the statement in the press, I do not think I should claim undue diligence. I do not recall having seen such articles in the press, though I have no doubt they were there, if the Senator from Delaware assures us they were there.

Mr. WILLIAMS. They were. I have many of the headlines here. There was quite a spread in the Washington Post. One of the men from the Comptroller General's office, after I took him to task, and after I wrote him, thinking he might be called before a committee to explain, wrote a letter to the Washington Post, a copy of which was printed, but in a footnote they indicated they did not exactly believe it.

I do not criticize the newspaper necessarily, because in reading the testimony I, too, gathered the impression that there was a deliberate attempt of those testifying before the committee on behalf of the Commodity Credit Corporation, along with this subordinate in the Comptroller General's office, to give the impression to the committee and to the press that everything was accounted for.

I talked with several members of the Committee on Agriculture and Forestry



following that day's hearing, and some of them also were of the same understanding. So I am not criticizing the press for its wrong understanding. I say that any Government agency which is as far over the line as this Government agency is had better be careful how they come down here and try to whitewash, without being very sure that they have enough to cover them up.

Thus, on February 21, 1950, as I said, 7 days after all the publicity had been given out that the accounts of this Corporation had all been reconciled and that the Senator from Delaware was unduly alarmed, we find that the Comptroller General confirmed the fact that as of February 21, 1950, no further information had been delivered either to the Senator from Delaware or to any committee in Congress that this item of \$366,643,129 referred to in his report of last year had been verified.

I call particular attention to the fact that not only was this letter confirming this fact written 7 days following the whitewash attempt of Mr. Blakemore before the Senate Agricultural Committee, but it also follows by nearly 1 year the statement of the Secretary of Agriculture, Mr. Charles F. Brannan, himself, when, on March 29, 1949, he, too, made the statement that "The \$350,000,000 was accounted for."

Summarizing briefly the record to this point we have the situation where on March 30, 1949, the Comptroller General charged the Commodity Credit Corporation with having items on their books amounting to \$366,000,000 which they could neither support nor verify and that nearly 1 year later, February 21, 1950, Mr. Warren confirms the fact that as far as Congress is concerned, or as far as the Senator from Delaware is concerned, no further explanation of this item had been made.

It was very interesting to find that the files of the General Accounting Office did contain copies of correspondence exchanged with the Senator from New Mexico [Mr. ANDERSON], the former Secretary of Agriculture, under the date of May 26, 1949, relative to this same question. It is interesting to note that this correspondence between the Comptroller General and the former Secretary of Agriculture took place 2 months following my original disclosures. In this correspondence the Senator from New Mexico [Mr. ANDERSON], asked the following questions, and for the information of the Senate, I quote the questions asked by the Senator from New Mexico along with the replies which he received to those questions from the Comptroller General.

I point out that much has been said to the effect that perhaps Members on the other side of the aisle do not know the condition of the books of the Corporation, other than what I have told them. I found in the files that the Senator from New Mexico [Mr. ANDERSON] had written the Comptroller General to secure some information himself relative to this subject. The Senator's first question was:

1. On page 6941 of the CONGRESSIONAL RECORD for Wednesday, May 25, 1949, Senator WILLIAMS, of Delaware, makes the following

statement: "Every statement I made on the floor of the Senate on that day was supported by the General Accounting Office." The day referred to is March 25. I assume you have examined that RECORD in which Mr. WILLIAMS charges that a million dollars worth of barley was shipped to Russia and omitted entirely from the sales, that one duplication of \$2,000,000 of loans could not be reconciled with the record of the Corporation, and that over \$350,000,000 of receivables could not be supported or verified because of faulty accounting policies and poorly devised procedures. Was Senator WILLIAMS correct in stating that you supported everything he said?

And the Comptroller General replied:

Each statement, as you have just summarized it, is correct.

The Senator from New Mexico asked this second question:

2. The Senator's statement on May 25, on page 6941, could lead to the assumption that fraud existed in the management of the Corporation. Has your audit of the Commodity Credit Corporation disclosed any fraud? Incidentally, I notice in the audit report that there is no mention of fraud.

And the Comptroller General replied in a letter addressed to the Senator from New Mexico:

The audit of Commodity Credit Corporation has not disclosed that fraud existed, neither has it disclosed that fraud did not exist. That is, the records for the period covered in our audit report in many cases are simply insufficient to tell us or anyone else whether fraud existed or not.

The Senator from New Mexico then asked the Comptroller General whether he subscribed to the following statement which evidently had been made by a GAO auditor while testifying before a congressional committee during the early part of 1948:

The question of dishonesty is not raised in any point in our report. It is a matter of inefficiency in the accounting set-up and the accumulated errors. It is a matter of accumulation of work getting behind and errors that have been built up over the years rather than any dishonesty.

I might point out that the statement that the Senator from New Mexico asked the Comptroller General about in his letter was a statement made by one of the accounting officers who testified before a congressional committee.

The Comptroller General replied:

I do subscribe to the statement as far as it goes, but I would have to add what I have just said above; that is, the accumulated errors and incompleteness leave it unproven whether fraud could or could not have occurred. However, this is in no way to be taken as any indication that our auditors reported or disclosed any fraud.

In other words, as I have said before, the Comptroller General called attention to the figure \$366,000,000. Now it is said it is down to \$96,000,000. It is true the Comptroller General does not say there is any fraud in disposing or getting rid of that \$96,000,000, nor does he say there is not fraud. One's imagination can be stretched any way one wishes. If one is liberal minded and has a good opinion of all those connected with the Corporation he can say that if the records were reconstructed, everything would be found to be in order; or if one is a little suspicious one could say that it would all be found to be out of

order. There is no way to determine how much, if any, of this money should be accounted for. There is no way to determine whether there is any fraud or there is no fraud. I agree fully with the Comptroller General in his statement.

I emphasize again that the record shows, as pointed out by Judge Tarver's committee, that one of the responsible officials of this Corporation—and he is holding a responsible position in one of the divisions of the Corporation in which the records were in worse shape—was three times convicted of embezzlement. That was called to the attention of the Corporation, yet he was thereafter promoted two or three times, and he was not taken from that position until an investigation was threatened by Congress.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. Yes.

Mr. DONNELL. What types of duties were assigned this man who had been convicted three times of embezzlement?

Mr. WILLIAMS. He was in charge of the general storage branch division, the department which was most out of line, in which was kept the record of inventories of what came in and what was sent out.

Mr. DONNELL. What is the name of that division? The Storage Branch Division of the Commodity Credit Corporation?

Mr. WILLIAMS. The Storage Branch Division of the War Food Division.

While it is a matter of record that the man did have a criminal record at the time he was hired by the Government, and that it was called to the attention of the Congress, I do not say that he did anything dishonest while in the employ of the Government. But I say one would not hire a convicted embezzler to handle one's money in a bank.

Thus we find, as I said, that 2 months after the Comptroller General had first called the attention of Congress to the fact that \$366,000,000 of the Corporation's funds could not be supported nor verified, and 2 months after the Secretary of Agriculture, Mr. Brannan, had issued his erroneous statement that all funds had been accounted for, the Comptroller General, in his letter dated May 26, 1949, addressed to the Senator from New Mexico, the former Secretary of Agriculture, reiterated his position that an accounting had not been made, and that the statements I had made relative to the affairs of this Corporation were in accordance with the situation which the Comptroller General had found in the books of the Commodity Credit Corporation. Again, in a letter dated February 21, 1950, the Comptroller General confirmed that his Office even then had not submitted any further reports to Congress as to the subsequent status of the \$366,000,000 receivables, but was still working on the preparation of such a statement and that it would be submitted as soon as it was available.

That is the statement which now is before us, a preliminary summary of which was submitted to the chairman of the Committee on Agriculture and



Forestry on March 31 of this year, and the full report was handed down by the Presiding Officer this afternoon. That is the statement which says that out of \$366,000,000, the Comptroller General has been able to account, now, for all but the \$96,440,497.

This completely contradicts the statements which have been made by the Secretary of Agriculture, Mr. Brannan, and other officials of the Commodity Credit Corporation during the past year to the effect that a satisfactory accounting had been made.

Following the correspondence referred to above, a letter was received from the Honorable Lindsay C. Warren, the Comptroller General, on March 31, 1950, as I have said, concerning this \$366,000,000. On that date he submitted a further report to the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS]. A copy of the letter was forwarded to me. The chairman of the Agriculture Committee has already inserted in the CONGRESSIONAL RECORD a copy of this report; therefore, I will only insert at this point only that portion of the report which specifically refers to the \$366,000,000 item. At this point I ask unanimous consent to have inserted in the RECORD a breakdown of this amount as itemized by the Comptroller General.

The PRESIDING OFFICER. Without objection, it is so ordered.

The breakdown was ordered to be printed in the RECORD, as follows:

Changes in the balance of accounts receivable applicable to the GCP program between June 30, 1945, and June 30, 1947, based on the Corporation's accounting records, are summarized in the following tabulation:

Debit balance, June 30, 1945--	\$366,643,129
Transactions during fiscal year ended June 30, 1946: Add charges resulting from sales recorded for the fiscal year 1946-----	963,980,885
Total-----	1,330,624,014
Deduct credits representing for the most part cash collections-----	946,714,830
Balance, June 30, 1946--	383,909,184
Transactions during fiscal year ended June 30, 1947: Add charges resulting from sales recorded for the fiscal year 1947-----	211,149,236
Total-----	595,058,420
Deduct credits representing for the most part cash collections-----	497,436,853
Balance June 30, 1947, before adjustment---	97,621,567
Deduct adjustment to reduce book balance of accounts receivable to balance as determined by the liquidation project-----	96,440,497
Balance June 30, 1947, after adjustment----	1,181,070

Mr. WILLIAMS. Mr. President, I may say that report was submitted for the RECORD yesterday by the Senator from Louisiana [Mr. ELLENDER], instead of by the chairman of the committee.

From this report it can be seen that as of June 30, 1947, the item of \$96,440,-

497 was deducted in order to bring the general books in balance. In order that there might be no misunderstanding as to whether or not this \$96,440,497 represented that amount which remained as unaccounted for on April 5, 1950, I directed a further question to the Comptroller General, as follows:

On page 3 of the enclosure with your letter of March 31, 1950, a copy of your report to the chairman of the Senate Committee on Agriculture and Forestry in which you furnish additional information relative to this \$366,643,129 item, I note the item of \$96,440,497 identified as an "adjustment to reduce book balance of accounts receivable to balance as determined by the liquidation project."

Am I correct in my understanding that this item of \$96,440,497 represents an amount which was subtracted from the over-all balance of accounts receivable as of June 30, 1947, and that such amount was subtracted in order to bring the general books in balance with what was a determined balance after the liquidation project was completed?

To that question, I received the following reply the same date, April 5, 1950, from the Comptroller General:

Your understanding is correct that the item of \$96,440,497 was subtracted from the unadjusted book balance of accounts receivable at June 30, 1947.

The Comptroller General went on to explain that after this adjustment, the balance on the general books was reduced, as of that date, to \$1,181,070 and that this amount represented the amounts which were determined to be due.

To my knowledge this is the only explanation which has ever been submitted to Congress by the General Accounting Office relative to an accounting for the funds expended by the Commodity Credit Corporation during the war years. We are now advised, according to the Comptroller General, that instead of an accounting having been rendered for the full amount of \$366,643,129, over \$96,000,000 was subtracted from the over-all accounts in order to bring the books in balance as of June 30, 1947.

I know of no better way to express my opinion of the irresponsible bookkeeping policies of this Corporation than to quote a statement made by the Comptroller General, who, in his audit report, said:

The accounting deficiencies encountered were so substantial and the inaccuracies cited in this report so material that we cannot express an opinion that the financial statements prepared by the Corporation present fairly the financial position of Commodity Credit Corporation.

I know of no greater charge that has ever been made against the loose operations of this Corporation than that made by the Comptroller General himself, who, when referring to the difficulties which his auditors experienced in auditing the accounts of this Corporation, described their greatest handicap as being—the apparent lack of appreciation by the management of the necessity for accurate financial reporting.

Apparently the reason why the Secretary of Agriculture and the officials of the Commodity Credit Corporation can take the attitude that they do not have to render an accurate accounting to Con-

gress is that we continuously give them all they ask for; and except as some Senator rises on the floor of the Senate and criticizes them occasionally, nothing ever is done about it.

It is inexcusable that any Government corporation should be allowed to spend the taxpayers' money in such a manner, and then be exempted from rendering an accurate accounting.

Mr. President, I notice the Senator from Florida [Mr. HOLLAND] among other Senators now in the chamber. If at any time he wishes or any of the other Senators now present wish to ask questions about this matter, I hope they will feel free to do so, because I do not want any inaccuracies or uncertainties to remain in their minds about any of these matters. All the quotations I have been giving come from the reports of the Comptroller General. I hope Senators will assist me in finding out where this money has gone.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. I wish to be sure that I understand this matter. We are talking about \$96,000,000 which is unexplained or unaccounted for.

Am I correct in understanding that the books of the Commodity Credit Corporation, under the heading of "Receivables," indicate that there should be on hand \$96,440,497 of items receivable, which items receivable in that amount, however, cannot be found? Is that what the situation is?

Mr. WILLIAMS. Referring again to the chart which I previously inserted, let me say that the books show that as of June 30, 1947, there remained \$97,621,567 which had not been accounted for; but of that amount, they felt reasonably sure they did know where \$181,070 of it belonged; so they did not include that amount in the item which is listed as unaccounted for.

So the \$96,440,497 was deducted from the total amount, in order that they might balance the books; and the \$181,070 was carried forward as an item perhaps to be collected in future years.

Mr. DONNELL. Mr. President, will the Senator yield at this point?

Mr. WILLIAMS. I yield.

Mr. DONNELL. From reading the records which have been submitted in the last few minutes, let me say that I was familiar with the facts the Senator has narrated.

We talk about \$96,440,497 which was unaccounted for. Let me ask the Senator if I correctly understand the situation? I shall be grateful to him if he will tell me if I am in error about it. I understand that the books of the Commodity Credit Corporation indicate, under the heading "Receivables"—receivables of one kind or another—that there should be on hand \$96,440,497 more receivables than can be found anywhere under the heading of individual accounts receivable or notes or other items receivable.

Mr. WILLIAMS. That is my understanding. Realizing that the records were gone and that they would not be able to reconstruct those records, they



merely subtracted this amount from the receivables, in order that they might balance their books as of June 30, 1947.

The Comptroller General felt that he had carried this amount along as far as he should and as far as it was reasonable to expect that much would be obtained in the way of collections.

Mr. DONNELL. Then, as I understand—and if I am in error, I wish to be corrected—the books of the Commodity Credit Corporation indicate that it should have on hand somewhere, in some form, receivables aggregating \$96,440,497, which cannot be found in any form. Is that correct?

Mr. WILLIAMS. That is my understanding, and that amount was subtracted, although I might say two of the officials were very careful to caution me against using the words "written off." One of them said that if we used the word "write off" in connection with the \$96,000,000, it might be offensive to the taxpayers or somebody, and we would not want to offend the taxpayer.

Mr. DONNELL. Oh, no.

Mr. WILLIAMS. So the \$96,000,000 is merely subtracted. I do not know what difference it makes, because the money is gone. They say they do not know where it has gone, nor how they are going to get it. I really do not see any difference between saying "written off" and "subtracted," but I am going to stick to it and use the word "subtract."

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. The best way I can explain, in a fashion, where some of the books went, is to relate this incident: About 1947 or 1948, my office received a telephone call. A young lady in the office answered. Evidently there was a girl at the other end of the telephone. She said, "I want to tell the Senator that they are making us destroy our records." Well, whoever it was in my office who was answering the telephone said, "Congress has passed a law permitting them to destroy old records." The girl at the other end of the line said, "But they are making us destroy the current records." She was asked, "What is your name?" She replied, "I do not dare tell you." She was asked, "In what department do you work?" She again replied, "I do not dare tell you that, either." And that is all we found out. That is only a little incident. I have not the slightest idea what department it was. I have some idea, too. I do not think it was the Department of Agriculture.

Mr. WILLIAMS. I may say I think the Comptroller General has tried to do a conscientious job in rendering an accounting to the Congress. But, if the records are not there, what can he do? He can only audit books as he finds them. He says there are simply no records for the \$96,000,000. Somebody tried to say that most of it represents transactions with Government agencies. But the Comptroller General said that there is no way to determine what percentage represented transactions with a Government agency, and what percentage represented transactions with individuals.

Again, conceivably it could all be with Government agencies, interdepartmental transactions. On the other hand, it could all be outside, with private industry. I know that I found 12 errors which were so obvious that the money came back in, and they were all with outsiders, not any with Government agencies. And even if they were with Government agencies, I should like to know what Government agencies we have which can absorb \$96,000,000 from the Commodity Credit Corporation? The officials of the Corporation do not know who got it. This agency spends it, yet it does not know where it goes. I think that perhaps it might be well that we audit the entire Government.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Florida.

Mr. HOLLAND. I thank the Senator. I should like to clarify, if I can, three or four of the matters which have been touched on by the Senator. Am I correct in my understanding that this entire situation applies to the years prior to June 30, 1947, and particularly to the wartime activities of the War Foods Administration?

Mr. WILLIAMS. The report which the Comptroller General submitted to the Congress on the 30th day of March 1949, covered the wartime activities of the Corporation for a 3-year period ending June 30, 1945. I see that their report, which has just been submitted to Congress today, the preliminary report of which was submitted to the Senator's committee on the 31st of March, covered the activities of the Corporation for the 2 years following the war, or the 2 years between June 30, 1945, and June 30, 1947.

The Comptroller General says in his report, if the Senator will read it, that the records of the Corporation were so confusing that it was impossible for him to separate where the year ended, so he merely picked up from where he left off, as I understand, beginning with June 30, 1945, or July 1, 1945. He started out with an item, as can be seen from this report just inserted in the RECORD, that had a balance of \$366,643,129, which had not been accounted for.

Now, during the 2 years of their transactions, itemized in this report, a summary of which I have just inserted in the RECORD, which ran into more than \$1,000,000,000 altogether, it was found that those transactions ended on June 30, 1947, were \$96,440,497 unaccounted for. I do not see that in the report, and I do not think the Comptroller General could tell whether this \$96,000,000 could all be dated back in the war years. If we had the records, it might be found that it all dated back to the war years. I think that is what the Senator from Florida is driving at.

On the other hand, it is possible that a part or all of it could have been in the years 1946 and 1947. In other words, in 1945 there was a preliminary report. This is another interim report, with the final report coming down for the years 1948 and 1949, at some time, if and when, if ever, they are submitted to Congress,

or if and when Congress, if ever, becomes sufficiently interested to demand that the reports come to the Senate. It is possible that in the reports which will come to us subsequent to the report we have here tonight, it will be shown that some of the \$96,000,000 will be accounted for, or found. I found \$450,000 of it in the office, by merely checking through a few items which were sticking out like sore thumbs. But I do not know whether the Department has found any of it, or whether it has not. I doubt whether the Senator from Florida knows, because we do not have the reports.

That is why I say we should not pass this authorization of \$2,000,000,000. Let us merely tell the Government departments that if they want any money, they must send their books here. Let us tell them there will be no money unless they send their books to Congress, and we will wait just as long as they want to wait. We will close up the job, if the reports are not sent. It might be a good idea to adopt an amendment saying that the salaries of all these officials shall be automatically suspended until such time as the books are made available to Congress; that they are off the payroll, and there will be no pay. In that event, I would say we would get the reports in short order. But, if no one manifests any concern, we shall never get the books. If I were in such an office I would never send the books to Congress if I thought they contained some information of which I was ashamed. The Lord knows I would be ashamed of the information furnished in this instance, if I were the head of the Corporation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I think the Senator knows that he has been scarcely more severe on the Commodity Credit Corporation than has the Senator from Florida. Let me state for the RECORD what I understand the situation is, so that it may be clear, if I understand it correctly. The account which first came to the Senate committee, in May 1949, I believe—

Mr. WILLIAMS. March, I think it was.

Mr. HOLLAND. In March 1949? It covered the three war years beginning July 1, 1942, and ending June 30, 1945.

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. For the 3 years of the greatest activity of the war; is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. And according to that series of three annual statements, brought together for the purpose of covering the war activities, there was at that time an apparent unexplained investment of some \$366,000,000, is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. Is it further correct that in the completion and bringing forward of that accounting to cover the next 2 years, by the account which was filed yesterday, apparently the discrepancy in the amount of \$366,000,000 has now been reduced to the sum of \$96,000,000?



Mr. WILLIAMS. That is correct. To be exact, it is \$96,440,000.

Mr. HOLLAND. I assume the Senator will be willing to concede for the record that the committee of the Senate to which he very properly brought this matter, the Senate Committee on Agriculture and Forestry, did, upon the motion of the Senator from Florida, supported by every other member of the committee, insist upon getting this checking done in an effort to bring it to just as clean a position as was possible.

Mr. WILLIAMS. That is correct. The Senator from Florida was present on the day I appeared before the committee and made a request that before the bill was brought to the Senate and the Senate asked to consider it, the books be obtained in order that we might intelligently arrive at a decision. It was the motion of the Senator from Florida, and I appreciate it very much, that was responsible for the demand for the books. However, I point out to the Senator from Florida that the committee has accomplished only half its job. It has the books for the years 1946 and 1947, but the books for 1948 and 1949 have not been delivered to the Congress. Does not the Senator from Florida feel that he owes it to the Senator from Delaware, who is suspicious of the Corporation, and to himself, who is equally suspicious and critical, and to many other Members of the Senate who have every reason to be suspicious, to help me insist that these books be presented before we are asked for any more money?

I offered an amendment to the bill this afternoon, which was defeated. I am willing to abide by the decision of the Senate on that matter, but I feel, the Senate having defeated the amendment and having decided to continue support prices, that it should provide adequate funds to carry out the law which we have said is going to remain on the books. But let us get an accounting. I think we owe that much to the people back home. I do not think we can expect to go back home and face the people and say we gave \$2,000,000,000 to a Government corporation which is spending our money in some way, we do not know how. We do not know whether they are putting it into their pockets; we do not say they are or that they are not. We just say we do not know. There seems to be a lack of concern.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I differ very strongly with the Senator's last statement as to a lack of concern in the matter, because the Senate today has shown its great concern, and the matter has been very largely cleared up under the direction of the Senate committee. However, I thoroughly agree with the Senator from Delaware that we should continue the check on what happened to the \$96,000,000 of wartime expenditures. I think we have every reason to believe that every dollar of it was expended in the course of the war. Is the Senator able to state for the RECORD the entire amount of war financing by way of advancement for the production of crops, advancement

upon crops, the purchase of crops, and the purchase of food for our allies, and so forth? Does he know the entire amount of such handling by the War Food Administration during the war years?

Mr. WILLIAMS. That information has been placed in the RECORD in the last few days.

Mr. HOLLAND. It is something over \$8,000,000,000, is it not?

Mr. WILLIAMS. Yes.

Mr. HOLLAND. Then the real question is a question of the \$96,000,000 being accounted for out of more than \$8,000,000,000 of expenditures during the war period and without any showing at all of any of it having resulted from irregularities since the war period. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. I thank the Senator.

Mr. WILLIAMS. That is one of the arguments used by the Department officials, that perhaps we are unduly concerned, because one of them pointed out that, after all, it is less than 1 percent inaccurate, and that it is 99-percent accurate. But let us suppose that the General Motors Co., or one of our other big corporations, was doing \$100,000,000 worth of business annually and could account for only \$99,000,000 when they sent their report to Uncle Sam, and they said, "We do not know just where that 1 percent went, but do not be concerned, because if we had the records it would be lovely." They would go to jail.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment.

I say this Government corporation should be called upon for the same sort of accounting that is required of every other Government corporation. We do not excuse a Government corporation from rendering an accounting because of the fact that there was a war going on, and it might have lost the records. The thing which concerns me is the fact of the absence of records. As the Senator from Vermont [Mr. AIKEN] pointed out, it is a dangerous situation to allow to exist in government.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I would simply like to assure the Senator that not only the Senator from Florida, but, I am sure, every other member of the committee is just as anxious as is the Senator from Delaware to have the very last word of information about this unexplained amount of \$96,000,000, but the Senator from Florida is not willing to penalize or cripple the agricultural producers of this Nation in the event they need further advancements now or in the future simply because in the hurly-burly of the war years 1 percent of the money spent then for food is unaccounted for. The Senator is correct in his insistence that we should continue diligently to get a record explanation, but I think the Senator must realize that we are accountable to the people of the Nation and to the agricultural producing part of the Nation, if we are to have a support program under the laws we have passed,

to see that the funds of the Commodity Credit Corporation are adequate to meet the needs created and recognized under the program.

Mr. WILLIAMS. I might point out to the Senator from Florida that I have no intention of wrecking the agricultural program. The Commodity Credit Corporation has more than \$1,000,000,000 remaining in borrowing authority which it can use in carrying out the existing law. I am not referring exclusively to the \$96,000,000. I agree with the Comptroller General that in the absence of records, and as far removed as we are from the period in which the shortage occurred, I doubt that any useful purpose would be served by further action. Perhaps he is right. We do not know, as Members of the Senate, what the records of the Corporation show, not only for the war years, but for the years 1948 and 1949.

Mr. HOLLAND. Mr. President, will the Senator yield right at that point?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. The Senate Committee on Agriculture and Forestry has insistently requested the completion to date of the accounting, not only by the General Accounting Office, but the checking by the Department of Agriculture, so that we may be right up to date. The Senator may recall that while he was present, at the time the committee, upon the motion of the Senator from Florida, demanded the bringing down to date of the wartime audits, we also demanded reports for the next 2 years to bring it down to the last year prior to that time.

Mr. WILLIAMS. I recall that. But let us say, "Get the books in. No books, no money." If we should say that, I think the books would be here in less than 30 days. So far as I know, if and when the books for the years 1948 and 1949 arrive, they may be 100 percent in order. I am not asking for the books on the basis that I have any reason to think they are out of line. I know they are out \$96,000,000, because we have been told that that is the fact. But as to what has happened in the past 2 years, I do not know, and the Senator from Florida does not know. I think it is our duty to know. I think if we say tonight that they will not get any money until they send the books here, the books will be here in less than 2 weeks.

Mr. AIKEN. I should like to say that for the past 4 years at least the Committee on Agriculture and Forestry has persistently tried to get an accurate accounting of Commodity Credit Corporation affairs. I should also like to say that so far as the \$96,000,000 which are missing are concerned, I presume we shall never find them. They are probably lost and gone forever. However, what discourages me is that this afternoon when the Senator from Vermont offered an amendment which would have required the Commodity Credit Corporation to keep their books in proper order from now on, the proposed amendment was defeated on the floor of the Senate by a strict party vote.

Mr. HOLLAND. Mr. President, will the Senator yield?



Mr. WILLIAMS. In reply to the Senator from Vermont I should like to say that I, too, think it is most unfortunate that the amendment should have been defeated this afternoon.

Mr. AIKEN. I simply could not understand it at all.

Mr. WILLIAMS. Neither could I, because the amendment merely provided in plain language what the Secretary of Agriculture said he wanted when he appeared before the Senator's committee in making application for this loan. There was no testimony against the proposal. Senators on the other side in debate said that their intention was to carry out the purpose of that amendment. I do not understand it at all. I know that the Department was very much in accord with the substance of the amendment offered by the Senator from Vermont. Perhaps we made a mistake. I think the time has come when we must speak in a little stronger language to the Departments. The language which they will understand, and perhaps the only language which they will understand, is for us to take away their money.

Mr. AIKEN. I think it would go very far in restoring the confidence of the people if some of the Senators who voted against the amendment would move to reconsider it and vote for its adoption, because it is something which the Comptroller General has been trying to get for a long time, namely, an accurate keeping of the books.

Mr. HOLLAND. Doubtless an inspection of the amendment offered by the distinguished Senator from Vermont would justify his expressions about it.

However, so that the RECORD may be clear, I shall have to say in complete candor no such amendment was before us in committee. No such amendment was ever read by the Senator from Florida except when the debate came up. The Senator from Florida, speaking only for himself, did not know such an amendment had been prepared until we debated this issue. No chance was given the Committee or the Senators to consider any such amendment. So far as the Senator from Florida was concerned, he thought that no such far-reaching change in the law could be properly made by an amendment which was offered during debate on the bill. The Senator from Florida will join the Senator from Vermont and the Senator from Delaware to bring about sounder bookkeeping and speedier accounting. He did not feel that in a measure of this type such last-minute effort was at all consonant with the importance of the whole matter.

Mr. WILLIAMS. I should like to reply to the Senator from Florida by saying that it was not exactly a last-minute effort. There was some testimony along this line, as I understand, before the committee. I shall yield in a minute to the Senator from Vermont. However, the amendment which was offered today was discussed on the floor of the Senate, and notice was served that an amendment of such a character would be offered to the Senate today. I know that the Senate was put on notice that the amendment would be offered.

Mr. HOLLAND. Unfortunately or fortunately, I was able this last week end to make my first visit to my home in Florida since January, and I arrived back in Washington at noon today. I would not challenge the accuracy of the Senator, but the first information I had about any such amendment was today when the measure was under debate. It was so far-reaching, I decided to vote against it. I do not feel that I need make any apology to anyone for doing so. I feel that I would owe an explanation to someone if I were to vote for any such far-reaching amendment without having had an opportunity to study it before it was offered on the floor of the Senate and first called to my attention when the Clerk read it.

Mr. AIKEN. I must admit that I was surprised not to get some support for the amendment from the other side of the aisle, because the subject matter of the proposed amendment was discussed many times in the Committee on Agriculture and Forestry. I have before me the report of the hearings on the borrowing authority of the Commodity Credit Corporation, which were held on January 24, 1950, and later. On January 24, the subject matter which was covered by the amendment I offered was discussed in the Committee on Agriculture and Forestry.

Mr. HOLLAND. Was an amendment offered?

Mr. AIKEN. No. The situation which prompted the amendment was discussed.

Mr. HOLLAND. No amendment was prepared, no amendment was considered, and no amendment was offered.

Mr. AIKEN. The condition which prompted the amendment was discussed at pages 5 and 6. I expect to receive another part of this report shortly. There was no amendment offered, because at that time we thought the Commodity Credit Corporation had changed their method of bookkeeping. When they showed how short they were of money they added back into their liabilities chargeable against their borrowing authority the sum of \$700,000,000, which they had previously deleted from the amount which they had charged against the borrowing authority.

Mr. HOLLAND. It is correct to say, is it not, that no amendment was prepared?

Mr. AIKEN. That is correct.

Mr. HOLLAND. None was submitted and none was considered in committee?

Mr. AIKEN. That is correct. The situation which prompted the amendment had been considered many times.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAIN. I have understood the Senator from Delaware to say that in its view it has not been established whether all or part of the apparent \$96,000,000 loss occurred during the war years, or in the years 1946 and 1947. May I ask if my understanding is correct?

Mr. WILLIAMS. I would say that I do not think the record shows exactly what the situation is as to that. However, if I were to make a guess I would say a large percentage of it was a carry-over from the war years.

Mr. CAIN. But the Senator from Delaware is not certain that the loss occurred in the war years?

Mr. WILLIAMS. No. The \$366,000,000 loss which was unaccounted for occurred during the war years. All of it was found except \$96,000,000. All of it was found during the years 1946 and 1947, except the \$96,000,000. The Senator from Washington referred to it as a loss. I think it is only fair to say that I do not know whether it is a loss or an asset. It depends entirely on one's imagination. Ninety-six million dollars is on the books. The \$96,000,000 was subtracted from the books so that the books could be balanced. There are no records to offset those items.

Mr. CAIN. I asked the Senator the question because the Senator from Florida took as his basic assumption that all of the \$96,000,000 disappeared or was subtracted, was lost, or jumped out the window during the war years, not during 1946 and 1947, as I thought the Senator from Delaware indicated a part of it may have disappeared.

Mr. WILLIAMS. My understanding from the questions of the Senator from Florida was that he, too, thought that he would guess that a large percentage of it occurred in the war years, and I would agree with him on that. I have every reason to believe that a large percentage of it would be, or perhaps all of it would be, but from the books I would not want to say that any part of it was. It was \$366,000,000 a year ago. It is \$96,000,000 today. We are told that is about the best we can expect.

Mr. CAIN. The truth remains, certainly, in doubt as of this time.

Mr. WILLIAMS. That is correct. There is a possibility that in the report which will come later some of the \$96,000,000 may be found. Unofficially I have been advised that a few million dollars of it have been found. So that it would go to show that the account could be reconstructed. I know that I found a dozen errors in collections. The Department will confirm that. I know unofficially collections will run into perhaps a few million dollars. I would not want to say definitely, but I have reason to feel that when we get the books here a little bit more will have been found. Perhaps they may have been a little more energetic during the last 12 months. That is why I want the books for 1948 and 1949. I want to know what they have done in the last 12 months.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. Does the Senator feel that a set of books, even though they are dealing in millions, or even billions, should be unable to show \$96,000,000?

Mr. WILLIAMS. No; there is no excuse whatever for the books not being in balance.

Mr. FERGUSON. But would not they have a considerable amount of cash in the bank or in the Treasury if they had this amount as a surplus?

Mr. WILLIAMS. Frankly, I do not understand how, with any reasonable effort to keep books, it is possible to drop \$96,000,000 by the wayside.



Mr. FERGUSON. Could it be that they have outstanding accounts, and did not want to collect them, have been carrying them on their books or in some separate ledger?

Mr. WILLIAMS. The one instance of which I spoke before, which was a matter of \$45,000, from Buffalo, N. Y., was not even on their books. It was just an item which had been dropped back several years ago, and yet when it was called to the attention of the firm—I will give the name later—the firm looked over the books and decided, "I guess we do owe the Government"—for a couple of cars of meat they did not ship. So the money came a couple of hours after I said I would not take no for an answer.

Mr. FERGUSON. In other words, this money could be on outstanding accounts, and not recorded in the books, so that they would never be paid?

Mr. WILLIAMS. As I see it, one could stretch his imagination one way and every dollar of it could represent outstanding accounts; on the other hand, not a dollar of it might.

Mr. FERGUSON. The Senator did find \$45,000, however?

Mr. WILLIAMS. I found that in one item.

Mr. FERGUSON. And it was not on the books, and later when they discovered it, the company paid it?

Mr. WILLIAMS. That is correct; and the amazing thing is that the books balanced before I found it. The books were in balance before I found it. That is what I do not understand.

Mr. FERGUSON. Will the Senator yield that I may ask the Senator from Vermont a question?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. The Senator from Vermont has indicated something which seems strange. He made a statement somewhat to this effect, that when the Commodity Credit Corporation discovered they wanted more borrowing power they then set up on their books accounts to show that they had extended much more credit than previously shown by the books. Is that correct?

Mr. AIKEN. That was the sequel. Up until March 31, 1949, they had included on their books as liabilities chargeable against the borrowing authority several items, such as program commitments outstanding, loans approved but not fully processed, which undoubtedly were liabilities, accrued liabilities; bills payable; producers' equity in a cotton pool, which amounts to a few hundred thousand dollars; and a few other items.

Until March 31, 1949, they carried those items as liabilities chargeable against their borrowing authority. Then on April 30, 1949, they came out with an entirely different looking report, and for some time I could not figure it out.

Finally, I asked the General Accounting Office to see if they could find out how this great drop in liabilities had occurred. They reported to me that the Commodity Credit Corporation had dropped from their list of liabilities bills payable, loans agreed to but the checks not actually being written, and several other items, amounting to about a billion and a quarter dollars.

Mr. FERGUSON. About a billion and a quarter dollars?

Mr. AIKEN. About a billion and a quarter dollars. At that time they wanted to see how little the program was costing.

Mr. FERGUSON. Am I correct in my hearing—a billion and a quarter dollars, did the Senator say?

Mr. AIKEN. That is correct. It was a billion and a quarter dollars that they had been carrying along in items chargeable against the borrowing authority, which they decided to drop on April 30, 1949, which were their liabilities of March 31, 1949. They amounted to about a billion and a quarter dollars at that time.

That gives them a much larger balance of borrowing authority to be charged against their four and three-quarter billion dollars. However, it gets along to this spring, and they want to get as much added as possible to the borrowing authority, presumably under the assumption that it might be the last chance for a long time—

Mr. FERGUSON. To get it increased?

Mr. AIKEN. So they go to work, and in estimating their liabilities chargeable against the borrowing authority, they put back \$700,000,000.

Mr. FERGUSON. Which they had taken out the year before?

Mr. AIKEN. Which they had taken out the year before.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New Hampshire.

Mr. TOBEY. What system of bookkeeping did they use; does the Senator know?

Mr. AIKEN. I think they used their own.

Mr. FERGUSON. Was that the Brannan plan of bookkeeping?

Mr. AIKEN. As a matter of fact, they did change the bookkeeping exactly a week before Secretary Brannan presented his plan to the Congress. They changed it on the 31st of March 1949, and the Brannan plan was presented to Congress on the 7th of April. I am not sure there is any connection between the two.

Mr. TOBEY. I submit to the Senator that it must be a remarkable thing if a corporation of the Government can drop out of the balance sheet a billion dollars in accounts payable and not put something else on the balance sheet. How did they make it square, or balance?

Mr. AIKEN. It has not balanced for several years. It is not balanced yet. That is what the distinguished Senator from Delaware is complaining of.

Mr. TOBEY. As this goes across the country, and the people see this fiasco going on, there is going to be some righteous indignation among them, and God help those who get in their way. When a man gets to the place where he can throw to the winds a billion dollars and more of liabilities, it is a marvelous system. I should like to know how to do it. I have some liabilities I would like to get rid of myself.

Mr. AIKEN. The Comptroller of the Commodity Credit Corporation explained it to the committee this year by

saying that they concluded that those figures which they had carried as liabilities were unrealistic. Whenever I have had bills payable I have not called them unrealistic; I have expected to have to pay them some time. Nevertheless, they wrote them out of the liabilities which were chargeable against their borrowing authority.

Mr. WILLIAMS. Mr. President, I should like to say, in concurring in what the Senator from New Hampshire just stated, that it is inconceivable that Congress would allow a corporation to continue any such accounting policy. It is true, in my opinion, and I agree fully with the Senator from Vermont that the amendment which he offered this afternoon would have tightened up the controls over this Corporation to the extent that it might well mean the defeat of the amendment, and now that it has been defeated, it more or less establishes a policy on the part of Congress that we do not expect those liabilities to be included, which would give them from five to seven hundred million dollars extra.

Mr. AIKEN. That is the unfortunate part of it. If they did not need the money, then in my opinion they did not need the \$2,000,000,000, and probably could have gotten along with \$1,000,000,000.

Mr. WILLIAMS. That is correct. Their actual statutory borrowing authority as of April 30 was a billion and a quarter dollars. They claimed they needed this extra authority because they had a lot of accounts outstanding. They had only four or five hundred million dollars outstanding. The defeat of the amendment, which provided they must continue to account for the liabilities means they can leave them out, and they have actually gotten this afternoon not \$2,000,000,000, but two billion and in addition from five to seven hundred million dollars.

Mr. AIKEN. Mr. President, let me say that under the old method of accounting, when bills payable and other items were classed as liabilities, on March 31, 1949, they had available borrowing authority of \$1,477,360,614.23. Under the new method of bookkeeping they had at the end of April 1950, \$1,205,360,670.55. If they had carried along these items as liabilities, as they had been doing 13 months previously, they would have had borrowing authority of about \$700,000,000 less, or, roughly, \$500,000,000 on hand.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. DONNELL. Along the line of the inquiry, which I thought was very pertinent and in point, of the Senator from Michigan, I should like to ask the Senator a few questions.

In the first place, am I correct in understanding that the Senator read to us this evening from a letter or letters from the Comptroller General that it is not shown, as to the \$366,643,129, either that fraud existed or that fraud did not exist?

Mr. WILLIAMS. That is correct.



Mr. DONNELL. As I understand, the \$96,440,497 is a part of the \$366,643,129.

Mr. WILLIAMS. I assume it might be so interpreted, and I think that it is. But I am not sure myself; and I do not think we could be sure from this report. A part of it might be an accumulation of errors which took place during the years 1946 and 1947.

But the net result is that they started out on June 30, 1945, with \$366,000,000, we will call it, of accumulated errors at this point, and after operating 2 years, either making other errors or not, they ended up on June 30, 1947, with \$96,440,000 which they said, "We simply cannot reconcile." As I said before, we start out on July 1, 1947, with that item, and perhaps we may find some more. I know that I found, as I said, about \$50,000 or \$60,000 of it myself, and I understand that during the past few months, through checking—and this is only grapevine understanding—that if and when the reports come down for the next 2 years we will find that a few more million dollars have been accounted for out of this amount. Now where they found these millions I do not know. I do not know that they found them. But I have reason to think such reports will come out. I hope they do.

Mr. DONNELL. Bearing in mind the fact, as the Senator says, that it is possible that some of the \$96,440,000 may have been the result of transactions in 1946 and 1947, the fact still remains, does it not, that in the opinion of the Senator the great bulk of the \$96,440,000 was a part of the \$366,000,000?

Mr. WILLIAMS. That is my personal opinion.

Mr. DONNELL. That bears directly, I think, on the point the Senator from Michigan made. He made the inquiry a little while ago as to whether it is possible that some of this \$96,000,000 may consist of receivables, the identity of which, for some reason, has never been disclosed; in other words, that there may be commodities that have been sold to people, and yet for some reason there has never been any recordation as to who owes for that merchandise or if there was a recordation, it is in a book that has never been found.

In that connection I call attention to the fact that, according to the CONGRESSIONAL RECORD, on page 8154, of yesterday, it is stated that—

The audit report for the period ended June 30, 1945, stated that "the amount of \$366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified."

Does not that indicate to the Senator that it is entirely possible that the surmise of the Senator from Michigan is correct, namely, that, although \$366,000,000 are recorded as due from sales, one cannot find any records of who it was to whom the sales were made or who owes for the sales? So in the light of the fact that the Comptroller General cannot find whether fraud existed or did not exist, it is at least possible that some of that \$366,000,000, to follow his exact language, "due from sales," may consist of sales made to people whose identity

has never been recorded in the books, or, if recorded, is in books which are not available. Is not that entirely possible?

Mr. WILLIAMS. That is entirely possible.

Mr. DONNELL. I may say, before the Senator continues with his answer, that I, like the Senator, am not asserting the fact. I do not know—and I do not suppose the Senator from Delaware knows—but, particularly in view of the fact that the Comptroller General says he could neither say that fraud did exist or that it did not exist, it is entirely consistent with the theory of the Senator from Michigan that sales were made, that money is due from sales in the sum of \$96,000,000, or thereabouts, and that the persons to whom the sales were made cannot be found from the books. Is that the idea of the Senator from Michigan?

Mr. FERGUSON. Yes.

Mr. WILLIAMS. That is correct.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall yield in a moment. I may say that each time the Comptroller General, correctly, has been very careful to point out that in his report he was not citing in any instance that fraud existed; he always carefully followed through with the language that neither did he say that fraud did not exist. I think his exact language was that the reason he did not say that was that in the absence of records it was impossible for him or anyone else to determine. I might say that in my own examination I found no instance in which I personally would say that there was fraud. I can become suspicious, yes, and while there were cases of irresponsible characters holding high positions, yet they might have been the most honest people in the country so far as I know.

Mr. DONNELL. So the Senator from Delaware, like the Comptroller General, could neither say that fraud did exist or that it did not exist?

Mr. WILLIAMS. That is correct. He could not find in the books records for the \$366,000,000 on June 30, 1945. That is not so far back as it sounds. When we refer to that amount we want to remember that he was calling to our attention on March 30, 1949, a little over a year ago, that he could not find that amount, but during the intervening months he has been able to find all of it but the \$96,000,000.

Mr. DONNELL. If the Senator will permit me a moment, I want to say that in my mention of the \$96,000,000 or thereabouts I did not mean at all to imply that necessarily all of the \$96,000,000 was included in the \$366,000,000. But I understood from the Senator from Delaware that although it is possible that some of the \$96,000,000 may have been an accumulation in later years, 1946 and 1947, in his judgment the great majority of the \$96,000,000 consists of a part of the \$366,000,000.

Mr. WILLIAMS. That is my opinion. I want to point out again that in the report which the Comptroller General sends down for the last 2 years he still criticizes the loose bookkeeping policies of this Corporation, and that their rec-

ords for 1946 and 1947 in his opinion were not adequate. What they were in 1948 and 1949, I am unable to say.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. The Senator from Michigan asked me to yield a moment ago. I yield to him first.

Mr. FERGUSON. The Senator has indicated that an account of some \$40,000, known as the Buffalo account, was found. How old an account was that?

Mr. WILLIAMS. I will come to that in a moment.

Mr. FERGUSON. About how old was it?

Mr. WILLIAMS. I am quoting from memory, but I will say it was around 6 or 7 years old.

Mr. FERGUSON. And was it not set up on the books as an account receivable?

Mr. WILLIAMS. Frankly, I do not think it was on the books at all, from what I could find out when we got into that matter. I have the full details of that matter and will place them in the RECORD later. As I recollect two cars of canned meat were involved. The Corporation was doing quite a little business with the company in question. They were having rejections on some meat, but the Corporation had overpaid the company for two cars more than the Corporation received, and the Corporation did not pick them up in its inventories.

Mr. FERGUSON. Nor in its accounts receivable?

Mr. WILLIAMS. Nor in its accounts receivable. When I took it up with the Corporation they never knew that anyone owed them a dollar. No one knew it or made any effort to find out. When the first reply came they said the records were too old and they could not find the item. It was only after I insisted on the details that they said finally that they had discovered the item, and that the money had been paid. Following through in order to find out when they discovered it, and when the money was paid, it was found that the money was collected about 48 hours after I gave them the final notice that I would not take "No" for an answer, and that I was insisting upon the copy of the report.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. Is the Senator familiar with the maritime account, in which there was some \$25,000,000 unaccounted for, and with respect to which it was later discovered that the accounts, that is the papers, the documents in relation to some of the accounts had been placed in drawers of old desks and that the desks had been sold as surplus furniture? So they were unable to collect approximately \$25,000,000 in the maritime accounts.

Mr. WILLIAMS. I know that the maritime accounts are in perhaps equally as deplorable a condition. That makes the matter worse.

Mr. FERGUSON. That is why I am citing it.

Mr. WILLIAMS. This is not an exception among Government agencies or corporations. It seems to be the belief of



Government agencies in the past few years that they do not have to render an accounting. The Comptroller General was very careful to point out that the difficulty he is experiencing in auditing these agencies is due to the apparent lack of appreciation on the part of the management of their responsibility to render an accounting, which is a rather serious charge.

Mr. FERGUSON. What was the date of the last accounting?

Mr. WILLIAMS. From the General Accounting Office, in reporting on the Commodity Credit Corporation?

Mr. FERGUSON. Yes.

Mr. WILLIAMS. It came in to them.

Mr. FERGUSON. For what years?

Mr. WILLIAMS. For the year 1947. We lack the reports for the years 1948 and 1949.

Mr. FERGUSON. But we are now in June 1950.

Mr. WILLIAMS. Yes. On January 15 last, the books for the fiscal year ending June 30, 1949, were due in the Congress, under the law. If there were in the United States a taxpayer who failed to file tax returns for the last 4 or 5 years, and if in his last tax return he failed to account for several million dollars, we would not think of having the Government send him a considerable amount of extra money—which is what we are doing in the case of the Commodity Credit Corporation. It simply does not make sense.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Delaware yield to the Senator from Florida?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. A comment which was made by my good friend, the Senator from Missouri [Mr. DONNELL], indicated that he might be under the impression that this entire account might be based on simply a situation of purchases and sales, for the Senator from Missouri used several times the word "sales."

I simply wish to point out that this accounting involved a vastly more complicated matter than that. For instance, hundreds of agents were handling these matters, and there were hundreds or thousands of claims arising during the war period in connection with the transactions of the Corporation—for instance, such matters as shortages on purchases and excess amounts of purchases and the spoiling of various amounts of materials which were purchased, and losses by fire and other kinds of losses.

Then tremendous amounts of money were advanced to farmers in various parts of the Nation, for the purpose of enabling them to convert their agricultural production to a different sort of production of food which was needed—in short, the production of crops different from the crops they normally produced. Sometimes the new crops turned out well, and sometimes they did not.

In addition, hundreds of transactions arose as a result of establishing dehydration and canning operations and other operations.

The entire program was so enormous that it cannot be compared with a situation arising as a result of certain numbers of purchases and sales, because the transactions in this case represent the entire wartime operations of the War Board Administration, and hundreds of agents were involved.

Mr. WILLIAMS. Mr. President, I should like to say to the Senator from Florida at this point, because I have spent a great deal of time on the books of the Commodity Credit Corporation, that in my opinion, every one of the transactions of the Corporation can be recorded or at least should be recorded as a sale or a purchase, regardless of whether they were actually physical transactions, which is a different matter.

I do not care whether an item involves a claim by a Florida farmer or a claim by a Delaware farmer or a claim by a North Dakota farmer, or whether a thousand bushels of peanuts or a thousand bushels of wheat are involved. Regardless of whether the commodity was given away or whether it was sold to another government, at least the transaction can be completed in the same manner that a transaction in the Senator's business or in my business, back home, would be completed. In my opinion, there is no excuse whatever for the absence of accounts in connection with such transactions.

I know that the job which was done was a tremendous job, and I know that a great many transactions were involved. However, each individual transaction represents either a cash transaction or a transfer of inventories.

I think the Senator from Missouri was 100-percent correct in saying that these transactions could be followed through and should be followed through.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Let me speak in answer to the inquiry of my distinguished and close friend, the Senator from Florida [Mr. HOLLAND].

When I used the term "sales," I was not using it from my own vocabulary or from my own knowledge, but I was using it on the basis of words which appeared on page 8154 of the CONGRESSIONAL RECORD of yesterday, from the audit report and the statement appearing in the audit report, as referred to in a statement submitted at that time by the Senator from Louisiana [Mr. ELLENDER]. I quote the following from the audit report:

The amount of \$366,643,129 recorded—

I emphasize by my voice the next four words—

as due from sales made in the general commodities purchase program could not be supported nor verified.

I drew the inference—and I ask the Senator from Delaware whether he joins with me in drawing such an inference—that, according to the report, there was recorded in the books of the Commodity Credit Corporation \$366,643,129—"As due from sales"—but that no record could be found to support or verify to

whom those sales were made or of what the sales consisted.

Is not that the inference the Senator from Delaware draws from the language, not of the Senator from Missouri, but of the audit report, which I understand came from the General Accounting Office, and which is quoted in the statement submitted yesterday by the Senator from Louisiana [Mr. ELLENDER]?

Mr. WILLIAMS. That is my understanding; yes.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. Does not the Secretary of Agriculture apologize for this bad situation and this bad record he has made?

Mr. WILLIAMS. Oh, no; the Secretary of Agriculture says the Senator from Delaware simply does not know what he is talking about. In fact, 3 or 4 days after I made my first statement, and 1 day before the Comptroller General's report came to us showing \$366,000,000 unaccounted for, the Secretary of Agriculture wrote a letter to the distinguished majority leader—a copy of the letter has been inserted in the RECORD—and in the letter the Secretary of Agriculture said that all of the \$366,000,000 was accounted for; and then the Secretary of Agriculture went on to state that the Senator from Delaware was rehashing a lot of transactions, all of which had been investigated by the Senate, and all of which the Senate was through with.

About a year later the Secretary of Agriculture returns; and although he does not say that I was correct, yet he says that they have accounted for all but \$96,000,000. However, he still thinks everything is all right.

Mr. CAPEHART. The \$366,000,000 is the shortage as shown by the General Accounting Office; is it not?

Mr. WILLIAMS. The General Accounting Office does not describe it as a shortage, but describes it as being unaccounted for.

Mr. CAPEHART. What is the difference between a shortage and a thing which it is impossible to account for?

Mr. WILLIAMS. Frankly, I see no difference. To me or to anyone else who has been engaged in business, as the Senator from Indiana has, I think it is difficult to see any difference.

However, there is this difference: In the absence of records, it could be that such an amount never existed and never should have been put on the books.

If one of the departments of a business in which a Senator was interested had several thousands dollars on the books and could not account for it—

Mr. CAPEHART. Does the Senator from Delaware mean to say that they could not account for this money?

Mr. WILLIAMS. That is what they said.

Mr. CAPEHART. Does the Senator mean that they have no records of it at all?

Mr. WILLIAMS. They said they could not account for it. That statement was made a year ago, although now the Comptroller General says that



in auditing the reports for the years 1946 and 1947, he has been able to account for all of it but \$96,000,000.

Mr. CAPEHART. Can the Senate have all the items which it is now said can be accounted for, and which go to make up the amount for which the Corporation is now able to account?

In other words, I should like to see the items which have been found, which justify the \$300,000,000. I should like to see the items which constitute that amount.

Let us subpoena the records or let us ask that the items which now have been discovered be submitted to us, so that we can see just what items constitute that amount.

Mr. WILLIAMS. I have already made such a request. I do not know what the report will be. I understand the report will be voluminous—although I informed them that I had nothing to do for the next 2 years but look them over. [Laughter.]

Mr. CAPEHART. Mr. President, let me see if I correctly understand the situation.

As I understand, first the General Accounting Office said the Commodity Credit Corporation was \$366,000,000 short.

Mr. WILLIAMS. No, "unaccounted for"; they insisted on using the phrase "unaccounted for."

Mr. CAPEHART. Very well, "unaccounted for."

Mr. WILLIAMS. That is right.

Mr. CAPEHART. Now the Senator from Delaware tells me that the Commodity Credit Corporation claims and the General Accounting Office claims that they have accounted for everything but \$96,000,000.

Mr. WILLIAMS. That is correct.

Mr. CAPEHART. Would not it be very simple to give to the Senator from Delaware and to the entire Senate the items which they have discovered, which make up the three-hundred-million-odd dollars? Either there are 10 items or there are 100 items or there are some other number of items. Why cannot we take a look at those items?

Mr. WILLIAMS. I think that perhaps in fairness to the General Accounting Office I may say that I think most of those items will be available to the Senate; that has been my experience with the matter.

I am very much interested, as the Senator from Indiana is, in knowing where the money has gone.

I am also interested in the \$96,000,000, because that amount was "deducted" or was "subtracted"—they insisted upon saying that it was not written off, but they insisted upon saying that it was "deducted." Perhaps the Senator from Indiana knows the difference, although I do not.

Mr. HOLLAND and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield, and if so, to whom?

Mr. WILLIAMS. I know, that in that \$96,440,000 which was subtracted, they cannot tell me that all of that represented amounts which could not be reconciled. I found a small part of it, and I

got the money back, and I understand a few more millions of dollars have come in. So I do know that a little of it was in error.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. The Senator knows, does he not, that it is possible to make an honest mistake?

Mr. WILLIAMS. That is true.

Mr. CAPEHART. Now, if they made an honest mistake in some \$360,000,000, why do they not rush in here and say to the Senator and to the United States Senate, "Well, we made an honest mistake of \$360,000,000. Here is how we made mistakes." If they do not do that, so far as I personally am concerned, I think they are covering up something unwarranted, either bad bookkeeping, or just out-and-out crooked transactions.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment. The Secretary of Agriculture, Mr. Brannan, last year, after I first disclosed this to the Senate, insisted that the \$350,000,000 was all accounted for. The majority leader of the Democratic Party rose on the floor of the Senate and said that the Senator from Delaware was making wild statements and wild charges for the sole purpose of getting his name in the newspapers, and that, if he thought there was any truth whatever in these statements, or that it was a fact that a Government agency could have that many millions of dollars unaccounted for, he would be the first to rise on the Senate floor to demand an investigation. I have not heard a peep out of him for 15 months. He is not here tonight. He walked off the floor again tonight. I hope he comes back, because I want to know how he feels about it. He was so enthusiastic, but for some reason he lost his enthusiasm when he read the report.

Mr. CAPEHART. Do we understand that the Secretary of Agriculture is refusing to give the United States Senate full and complete information on this subject?

Mr. WILLIAMS. Oh, no; oh, no; he does not refuse it. He says, "Just quit worrying about it, it is all lovely," he knows where it is, and there is nothing to get concerned about. He says it is all accounted for. Of course, the Comptroller General says that it is not.

Mr. CAPEHART. That is what I was about to ask the able Senator. The Comptroller General, or the General Accounting Office, says it is not accounted for. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. CAPEHART. What good is the General Accounting Office if we are not going to follow its recommendations?

Mr. WILLIAMS. The Secretary of Agriculture says "this is all accounted for. You boys should not become concerned. Just give me another \$2,000,000,000. That is all I want." And that is what he is asking us to do here—"Give me another \$2,000,000,000, and I will send you the books, sometime, if and when I ever think you are entitled to them."

The fact that we have a law on the books which says that the books must be sent here means nothing to the Secretary of Agriculture. The laws do not apply to the top executive branches, apparently.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CAPEHART. Is the Senator of the opinion they have something they want to cover up?

Mr. WILLIAMS. If I were the Secretary of Agriculture, in control of the books of the Corporation, and any such reports were to be made, and I had nothing that I wanted to cover up, I would have the books sent here so fast one would not even get a chance to sit down.

Mr. CAPEHART. Any other person would, if he felt the books were correct, would he not?

Mr. WILLIAMS. I feel the same way.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Florida?

Mr. WILLIAMS. The fact that the books have not come here makes me all the more determined that they should come. I have said, and I repeat, that so far as I know when they come, they may be 100 percent in order, but, still, let us see them.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Florida.

Mr. HOLLAND. There are one or two things of which I should like to remind my distinguished friend, the Senator from Indiana, because I think he has lost sight of them. The first thing is that he does not have to struggle to get facts which are in the possession of the General Accounting Office. That is an arm of Congress. That does not belong to the executive department. That is an agency working for the Senator's protection and for the protection of every other Senator and of every other Member of the Congress. All the Senator has to do is to find time, if he has an abundance of it, to sit down and look at the multifarious records showing their checks by which they have found out where all of the \$366,000,000, which could not be accounted for a little over a year ago, was expended except \$96,000,000. I hope they will find more of it. In their long report which the Senator probably has not had the chance to read, but which is a part of yesterday's record, they list separately some six or more reasons why they think it is unwise to do any further checking. I do not agree with that, because I think we should do further checking. But that advice is given by an agency of the Senator from Indiana, an arm of every other Senator here. The information which they have discovered is his information and not that of the President, not information belonging to the Secretary of Agriculture. So that if the Senator has not seen it—which I quite well understand, because he is not a member of that committee, and even members of the committee have not been able to see it—let him be sure that it is



there and available, and that it belongs to him, because it is Senate information.

The second thing I should like to bring out is this: I think that, in complete fairness to the present Secretary of Agriculture, it should be said that he has cooperated in helping us get the facts, and that this matter does not in the slightest affect or involve his administration of his office. It relates entirely to the war years, during which time the two former Secretaries of Agriculture were in office. It should be said that he has been highly cooperative, and that the committee, though it has pressed very diligently after this matter—and sometimes, I fear, disagreeably—has nevertheless had to admit that every facility of his office has been made available, and the committee will continue to press the matter. So, those two points I wanted to make. No one is wanting to cover up. To the contrary, the examining agency which has discovered an explanation of this matter, belongs to the Senator from Indiana and to the rest of Congress and the information which has been discovered is our information.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. The second thing is that the present Secretary of Agriculture has no stake at all in the matter except as a Government employee and as a citizen, and as the holder of a high executive office, to see that his office and his Department of the Government make the fullest possible disclosure of everything within their power.

I think that, with all deference to a situation which is not wholly acceptable—and I have been the first to admit it, and I have stood back of the Senator from Delaware in his complaints to our committee—I think every one of us would have to admit that the present Secretary of Agriculture has been 100-percent cooperative. So I wanted to reassure the Senator from Indiana, who, as a successful businessman, would naturally be impatient of this vexatious difficulty in the accounting on these huge wartime activities, involving us in over \$8,000,000,000 of public money.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I will yield in a moment. I should like to reply to the Senator from Florida, by saying I agree with him on a good many things, but I do not excuse the Secretary of Agriculture for failing to fulfill his responsibility. The Comptroller General, it is true—

Mr. HOLLAND. The Senator is not holding that the present Secretary of Agriculture is himself accountable for the expenditure of any moneys spent by the War Food Administration, is he?

Mr. WILLIAMS. Not a dime of it. But I hold the Secretary of Agriculture 100-percent responsible for the fact that the books for the years 1948 and 1949 are not in the Senate, and it is his responsibility and his alone. While it is true that the Comptroller General is the one who is supposed to get the books here, nevertheless, I know something about books, as does the Senator from

Indiana, and if we send a dozen or a hundred auditors, whatever number it might take, to check a corporation, if the books of the corporation are in such a deplorable condition as the Comptroller General says these books are, naturally it is impossible to send the audited reports as soon as they might be sent under different conditions. The fact that the books are in such shape that the Comptroller General cannot get the books here as should be done, is the fault of the Secretary of Agriculture, and it is nobody else's fault but his. I am speaking of the years since he has been in office and had the responsibility.

Mr. HOLLAND. I will agree with that as to past years.

Mr. WILLIAMS. If those books come to the Senate, they may show 100 percent good bookkeeping. But, nevertheless, he should still get them here. He should not be ashamed of anything that is in them. If he is ashamed, that is all the more reason for my wanting to see them.

I certainly am opposed to giving any money to any Government corporation until we get its books and know how it spent that which it has already had.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. Let me ask the Senator one more question. Is the Senator contending that we have the accounts down to date of any one of the executive branches of the Government for whom we are making appropriations this year?

Mr. WILLIAMS. No. I say we have got them in some instances.

Mr. HOLLAND. If so, the Senator has seen some reports that I have not seen. I understand all of them are at least a year old.

Mr. WILLIAMS. We have got them from some of the departments or agencies, and I say, and I do not retract it, that so far as I am concerned, I care not what Government agency it may be, before it gets a dime I vote for, it is going to send to Congress all its books. If the majority of the Senate serves notice on the Government agencies either to put up or shut up, maybe we shall get some action. I hope the Senator from Florida will join me in that attitude.

Mr. HOLLAND. The Senator from Florida will join the Senator in any reasonable position, but he does not expect to vote against all appropriation bills. The position in which the Senator from Delaware would place the Senator from Florida would require him to vote against all appropriation bills for Government agencies.

Mr. WILLIAMS. If they are so far behind that they cannot have accurate bookkeeping, put them out of business and put in some other people who will adopt some good accounting policies. They have enough money to proceed, and before Congress adjourns, if the Secretary still insists that he will not give us a report, let Congress take action to get rid of him and get a new Secretary. After all, who is he?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. I rather think the Senator from Indiana understands the situation much more clearly than the able Senator from Florida realizes. I know the General Accounting Office is an arm of the United States Senate. It corresponds to an accounting from that any business organization might hire to audit its books. If I understand correctly, it audited the books of the Commodity Credit Corporation and found \$366,000,000 unaccounted for, or short, or at least it did not know how to account for it. That is very simple. I think any high school student can understand that. I understand that that occurred a couple of years ago—

Mr. HOLLAND. Last March.

Mr. CAPEHART. The same General Accounting Office has been able to account for all of the \$366,000,000 except \$96,000,000.

Mr. WILLIAMS. That is bringing the books up to June 30, 1947.

Mr. CAPEHART. The Secretary of Agriculture, when the shortage of \$366,000,000 was brought to his attention, said, "There is nothing to it. We will find it. Just give us time—"

Mr. WILLIAMS. No; the Senator is wrong. The Secretary of Agriculture said there was nothing to it at all, that the money had all been accounted for and that WILLIAMS was just rehashing something that had been discussed many times.

Mr. CAPEHART. The General Accounting Office, this accounting firm representing the Congress, has accounted for all of the \$366,000,000 except \$96,000,000.

Mr. WILLIAMS. The General Accounting Office says it has accounted for all of the \$366,000,000 except \$96,000,000 of the amount which the Secretary of Agriculture said never existed.

Mr. CAPEHART. If we, the Senate, are a good board of directors and are running the country—at least, we are appropriating the money—we want to have the items that go to make up that \$366,000,000 which was originally found to be short.

Mr. WILLIAMS. If we were a private corporation and the Treasury Department were auditing our accounts and found a similar item unaccounted for, we would either have to account for it or it would be assessed against us.

Mr. CAPEHART. That is correct. We would want to know about each of the items going to make up the \$366,000,000.

Mr. WILLIAMS. Yes.

Mr. CAPEHART. It is now down to \$96,000,000. My question is, Why do not the General Accounting Office and the Department of Agriculture deliver to the Senate the items that go to make up the \$366,000,000 that was short but which has now been found with the exception of \$96,000,000? Why should we not have the items that go to make up the \$96,000,000? What is wrong with that?

Mr. WILLIAMS. That is a very good question, and I do not see anything wrong with it except that if the Secretary of Agriculture can get \$2,000,000,000 without it, why should he account



for it? If he accounted for it, I do not know how much we would give him.

Mr. CAPEHART. If it is not honestly accounted for eventually, or within a reasonable length of time, it constitutes a fraud, does it not?

Mr. WILLIAMS. I do not know whether it does or not.

Mr. CAPEHART. What does it constitute? Did the money evaporate?

Mr. WILLIAMS. Frankly, I would not want to express my opinion as to what it does constitute. I think it might be stricken from the record. But I think that Members of the Senate who will stand for any such operation is a Government agency are negligent in their duties.

I want to point out, along the same line, having nothing to do with accounting policies, the irresponsibility of a prominent Government official, a Cabinet officer.

In the report which was placed in the RECORD yesterday there was a letter to the chairman of the committee written by the Secretary of Agriculture, and I want to read the last sentence:

The net financial results of the program of the Commodity Credit Corporation after all adjustments were made was a net gain of approximately \$187,000,000 at December 31, 1949.

The Senator from Indiana and I would have every reason to expect some degree of accuracy in a statement issued by a Cabinet officer, and yet I find that just a few days before that, the same Secretary of Agriculture, Mr. Brannan, testifying before the Senate Committee on Agriculture and Forestry, in favor of a small Brannan plan with reference to potatoes, tried to prove that his program would be much cheaper than the other program, and on pages 17 and 18 of the committee hearings on Senate bill 2634, dated March 15, 1950, Mr. Brannan said that the loss of the Commodity Credit Corporation, after deducting their gain as of that time, was \$469,000,000.

Mr. CAPEHART. That was the loss?

Mr. WILLIAMS. Yes.

Mr. CAPEHART. I thought the Senator said there was a profit of \$187,000,000.

Mr. WILLIAMS. I am quoting the Secretary of Agriculture. A few moments ago I read that the Secretary of Agriculture said on March 31 that there was a gain of \$187,000,000. When he said there was this gain of \$187,000,000 he was appealing to the committee for more money and he wanted to show the committee what an excellent manager he was.

Mr. CAPEHART. A couple of months ago he said there was a gain of \$187,000,000?

Mr. WILLIAMS. On the 31st of March, in his letter in support of his application—

Mr. CAPEHART. He said there was a gain of \$187,000,000?

Mr. WILLIAMS. Yes.

Mr. CAPEHART. When did he say there was a loss of \$469,000,000?

Mr. WILLIAMS. Just a few days later. At that time he was telling the committee how expensive was the exist-

ing program with reference to potatoes and how his program was superior.

Let me read the exact language. He said it was \$468,800,000, and of that amount \$348,500,000 represented the loss on potatoes. All we have to do is to adopt the Brannan plan, and we could make money on potatoes.

So we have a situation in which, when he is testifying for one bill, he says he lost \$469,000,000, but when he needs to get some more money from another committee he says, "I am a great executive. I have made you \$187,000,000," all in the same 2-week period with reference to the same Corporation.

Mr. CAPEHART. Is the Senator from Delaware a member of the Committee on Agriculture and Forestry?

Mr. WILLIAMS. No; I wish I were. I should very much like to have been there when he was testifying.

Mr. CAPEHART. Whom are we going to believe, and when and how?

Mr. WILLIAMS. I presume that the Secretary of Agriculture is telling the truth. Far be it from me to say he is not telling the truth. My only trouble is that I do not know when he is telling the truth. I am sure that he hits it sometimes. At one time he says he is making money, and the next time he says he is losing money. I am sure he is right one or the other of those times. However, I do not know how anyone can tell.

Mr. NEELY. Mr. President, I object. A Senator may yield only for a question.

Mr. WILLIAMS. I did not yield to the Senator from West Virginia.

Mr. WHERRY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS. I ask that the disturbance on the other side of the Chamber be taken care of.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator may yield only for a question.

Mr. WILLIAMS. I yield to the Senator from Nebraska for a question.

Mr. WHERRY. I ask the distinguished Senator from Delaware if he could advise the Senator from Nebraska how much longer he feels it will take him to complete the report which he began introducing into the RECORD some hours ago. He has been interrupted many times. Does the Senator feel he can now tell the Senate how long it will take him to complete his report?

Mr. WILLIAMS. I do not know. I shall complete it as soon as I possibly can. I shall continue to yield to Senators who wish to ask questions, for the simple reason it is very important that I do so. If anyone wishes to take any exceptions to this report, now is the time to take them. I want the RECORD to show that every Member of the Senate on both sides of the aisle has had an opportunity to take exceptions or to make suggestions. I am very sorry that I was put in the position of having to start so late in making my report. However, I had very little cooperation from the other side of the aisle. The first time I called the attention of the Senate to the matter it was said that I was trying to

get my name in the newspapers; that there was nothing to it; that if there was anything to it the majority leader would be the first one to see that something was done about it. Since that time the majority leader apparently has lost his enthusiasm. I am sorry that I have been put in the position of being compelled to make my statement tonight, or of not making it all and perhaps having a whitewash. It is 11 o'clock now. I have been speaking for 4 or 5 hours. So far as I am concerned, I shall finish the report, if I can, and get my dinner sometime later in the evening. I am sorry that we have had no cooperation whatever from the majority leader, who has insisted that in order to report the facts on this subject to the country, it is necessary to take time in the evening.

Mr. WHERRY. Mr. President—

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. WILLIAMS. I yield first to the Senator from Nebraska for a question.

Mr. WHERRY. I thank the Senator for yielding. I should like to ask unanimous consent, Mr. President, that the Senator be permitted to yield so that I may address a question to the acting majority leader, if there is no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska that the Senator from Delaware may yield for that purpose without his losing his right to the floor?

Mr. MAYBANK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I move that the Senate take a recess.

Mr. WILLIAMS. Mr. President, I hope the Senator will not press his motion.

Mr. MAYBANK. Mr. President, a point of order. The Senator can yield only for a question.

Mr. WHERRY. I ask the Senator from Delaware if he will yield so that I may make a motion to recess.

Mr. MAYBANK. Mr. President, a point of order.

Mr. WILLIAMS. Mr. President, I should very much like to continue with this report tonight. I appreciate the concern of the Senator from Nebraska, but I think the Senator from Illinois and the other Members of the Senate want to complete consideration of this bill tonight. That was my understanding. There have been objections on the other side of the aisle to my yielding, and I shall continue with the report.

Mr. WHERRY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. WILLIAMS. Mr. President, I ask unanimous consent that I may yield for the purpose of having the Senator from Nebraska suggest the absence of a quorum, but without my losing the floor.

Mr. MAYBANK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I nevertheless ask the Senator to yield so



that I may suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator may yield only for a question, or yield the floor.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is it not always in order for a Senator to yield for the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER. Only by unanimous consent.

Mr. WHERRY. I ask the Senator from Delaware if he will yield so that I may suggest the absence of a quorum.

Mr. WILLIAMS. I will ask the Senator to withhold his request until I have reached a certain point in my address. Then I shall be very glad to yield.

Mr. President, I understand that if I were to yield for that purpose perhaps it would be interpreted as my having made two addresses, and I would not be able to complete this address. Therefore I shall continue at this time. I appreciate the concern of the Senator from Nebraska. I know he realizes that it is a strain to continue, but I shall continue putting the report in the RECORD tonight. I renew my offer to yield to any Member of the Senate who wishes to ask any questions or take any exceptions to anything being put in the RECORD. I hope that the Members of the Senate on the other side of the aisle will display the same enthusiasm to get an accounting from this Corporation as they are in seeing to it that the Senator from Delaware continue this lengthy discussion.

I may say, Mr. President, that there is nothing I am putting into the RECORD that should give any concern to the Senator from West Virginia [Mr. NEELY]. He has not been here all night. All I am trying to do is to get an accounting from this Government Corporation for the money which they have been spending a part of which belongs to the citizens of his State. I think the Corporation should render such an account.

While it is true that the Comptroller General, on March 31, 1950, did submit a summary of his audit findings on this Corporation for the period ended June 30, 1947, I call attention of the Senate to the fact that Congress has had no report whatever of how the Corporation is handling its affairs, nor in what condition are the books for the fiscal years 1948 and 1949. We have received only temporary summaries for the fiscal years 1946 and 1947, but not the complete reports for either of these 2 years.

Public Law 4 as passed by the Congress on February 24, 1945, plainly states:

The financial transactions of all Government corporations shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. \* \* \* A report of each such audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress not later than January 15 following the close of the fiscal year for which such audit is made.

Yet here is a Government Corporation with the authority to borrow \$4,750,000,000 in the name of the United States Government and today is asking for additional authority to increase this by another \$2,000,000,000, making a total of \$6,750,000,000.

I do not feel that Congress has any right to ignore the fact that the audited accounts of this Corporation have not been submitted to Congress as required by law, particularly when we consider that, according to all information we have received, the accounts of the Corporation are in deplorable condition.

I think it is most regrettable that the Senate did not take more aggressive steps during the past 12 months to force an accounting from this giant Corporation, and as one Member of the Senate I shall continue to oppose any action by Congress toward extending any additional borrowing power to this Corporation—at least until such time as a complete accounting has been rendered to the Congress as required by law. I insist upon this, particularly in view of the fact that this Corporation which is spending billions of dollars annually found it necessary, on June 30, 1947, to subtract the staggering sum of \$96,440,497 from the over-all balance of accounts receivable in order to bring their books in balance.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. Can the distinguished Senator from Delaware tell us the amount of the surety bond which the Secretary of Agriculture is required to put up?

Mr. WILLIAMS. I am sorry. I do not have the information. I do not know whether he is required to put up any bond.

Mr. LANGER. What is the custom, if the Senator knows, when one Secretary of Agriculture goes out of office and a new Secretary of Agriculture takes office, as to whether or not the new Secretary of Agriculture requires an audit by the Comptroller General?

Mr. WILLIAMS. I would assume that he does, although evidently he did not, because it was only last year, in March, that we received audited reports for the year ending June 30, 1945, and today we are receiving reports only for the fiscal period ending June 30, 1947. I do not know whether we shall get the ones for 1948 and 1949 before the present Secretary of Agriculture goes out of office.

Such a loose procedure would not be condoned by the Government for any private corporation and I feel that a Government corporation which is handling the taxpayers' money has an even greater obligation to render an accounting.

#### SPECIFIC CASES OF ERRORS UNCOVERED

When I first called to the attention of the Congress in March of 1949 the fact that the records of the Commodity Credit Corporation, if made available, would show that over \$350,000,000 could not be supported nor verified, the Secretary of Agriculture immediately issued a denial at which time he stated, "The \$350,000,000 was accounted for."

One year later, on March 31, 1950, the Secretary addressed a letter to the chairman of the Senate Agriculture Committee, admitting that the books of the Corporation were in balance only as a result of the Corporation having arbitrarily reduced their over-all accounts receivable by the sum of \$96,440,497.

Apparently the \$96,000,000 was such an insignificant amount to the Secretary of Agriculture's way of thinking that he did not consider it worth mentioning in March of 1949, at which time he claimed that, without exception, the books of the Corporation were in balance and all funds accounted for.

It is amusing how the officials, in referring to this \$96,440,497 which was subtracted from the over-all accounts in order to bring the books in balance, keep insisting that we use the word "subtract" instead of the phrase "written off," on the basis that the taxpayers might misunderstand if we use the phrase "written off." However, as I pointed out to the Senator from Indiana, I fail to see any difference, from the taxpayers' standpoint, whether the amount is referred to as being written off or as being subtracted. As far as they are concerned, it is gone.

The argument is advanced that it would be cheaper to forget the \$96,000,000 rather than attempt to reconstruct all the files in view of the fact that there would be substantial cost for the extensive additional work that would be required with no positive indication that the result of the work would be remunerative to the Government, and also because of the theory that all transactions were between the Commodity Credit Corporation and other Government agencies and very little, if any, represented transactions with private corporations. I cannot accept that as an excuse as I do not think anyone knows to what extent either are involved.

In the first place, suppose it did represent transfers between Government agencies. Then that merely means that some Government agency has spent \$96,000,000 more than Congress knows about or perhaps more than the Government agencies themselves know about—in which event they, too, need auditing. I cannot conceive any Government agency or series of Government agencies absorbing \$96,000,000 without knowing it.

I do know that a partial examination of the records in my own office disclosed 13 recognized errors, not one of which involved transactions between the Commodity Credit Corporation and other Government agencies. As a result of uncovering these errors the Government has collected \$51,357.30.

Mr. President, it is interesting to note that the books balanced before I called this to their attention, according to the Secretary of Agriculture.

I realized that this \$51,357.30 is but a small part of the \$96,440,497 referred to, but it does constitute proof that there was a great laxity in the handling of these accounts; otherwise, these obvious discrepancies would have been recog-



nized by their auditors. It also convinces me that had a determined effort been made at the right time a substantial amount of the \$96,000,000 could have been reconciled; and if not reconciled, at least we could have placed the responsibility.

At this time I shall review briefly the cases to which I refer.

On March 26, 1949, following my statement in the Senate the previous day relative to the accounting deficiencies of the Commodity Credit Corporation, I received a note from Mr. Olin R. Dennis, of Freeport, Ill., stating that he read in the daily press that I was asking for an investigation of the Corporation and with his note he enclosed a copy of a letter which he was, as of that date, forwarding to the majority leader, the Senator from Illinois [Mr. LUCAS] criticizing his premature defense of the Corporation.

I will not take the time to read to the Senate this entire letter which Mr. Dennis sent to the Senator from Illinois. However, I will read certain excerpts relating to the Commodity Credit Corporation. I quote from the letter:

Enclosed clipped from the Freeport Journal-Standard of March 26. I happen to be politically friendly to the administration and feel that a reasonable workable program of farm price supports is in order but I feel bound to tell you that you are not being fair to agriculture, the administration, nor yourself in rushing blindly to the support of the CCC, because it is badly in need of a rigorous overhauling.

Continuing in this same letter Mr. Dennis outlined to the Senator from Illinois the difficulties that he and his brother, Alvadore Dennis, while operating under the trade name of Padua Grain Co., Padua, Ill., had experienced in trading with the Commodity Credit Corporation. Mr. Dennis pointed out how the Commodity Credit Corporation had arbitrarily refused to pay what the company considered to be a justified claim and which at that time had been outstanding nearly 6 years, or since April 1943.

In the same letter Mr. Dennis also called the attention of the Senator from Illinois to the fact that the Commodity Credit Corporation in one instance had forwarded to their concern three checks for the same transaction, and that while these checks had been in their possession over 5 years, the Corporation to that date had not corrected its error, and probably did not know that the triplicate payment was outstanding.

Mr. President, I wish to quote further from Mr. Dennis' letter to the majority leader, the senior Senator from Illinois, who is now on the floor. I am sure he recalls at the time I made this statement that he said that there was nothing wrong with the affairs of this Corporation, and that if there were he would be the first man on the floor of the Senate to demand a complete investigation of any corporation of the Federal Government which the Comptroller General would say had the amount of \$350,000,000 unaccounted for. Early in the evening I said that I was sorry that the enthusiasm expressed that day by the distinguished majority leader apparently had faded in the subsequent 15 months.

I now quote from Mr. Dennis' letter:

The Padua Grain Co. handled a considerable volume of other grain for the CCC and in one case they forwarded three checks—in considerable amount—for doing one job. My brother, being an honest man, of course, did not cash the second and third checks but thinking his holding them might influence the CCC to adjust his unpaid claim placed them on file and never so much as heard from the CCC about them.

Fact is, after I had exhausted every argument I could think of to induce the CCC to pay their debt while I was in their Chicago office I asked them if there was anybody in the office who really knew what was going on, which seemed to upset them somewhat. It developed that they actually did not know that they had issued three checks in payment for the one job. The man I was talking to was R. W. Hostrop, in charge of the auditing and accounting section. I don't think that I would care to employ him were I in need of a bookkeeper.

Naturally being very much interested in this situation and greatly concerned over the fact that the records of this Corporation were apparently in such condition that they could make a triplicate payment without discovering it over a period of 5 years, I immediately began checking this case.

Following a series of correspondence, Mr. Alvadore Dennis, the owner of the Padua Grain Co., wrote me that he had received payment for his outstanding claim and in turn for this payment had delivered back to the Commodity Credit Corporation their two uncanceled checks. For the record I will quote from this letter of Mr. Dennis dated June 20, 1949, in which he reviews the case.

For the RECORD, I should like to have inserted at this point a copy of the letter from Mr. Alvadore Dennis.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

In April 1944, CCC offered a short-time inducement of 5 cents per bushel, to cover shelling and trucking costs, in order to stimulate the movement of corn, at ceiling prices. Country elevators paid these charges on the corn they handled and collected from CCC. Under this arrangement, I handled a total of 11,908.52 bushels and on May 29, 1944, I mailed an invoice to CCC for \$595.45. On May 31 they mailed me a check for this amount. On June 2, they mailed me another check, and on June 5 still another, all in the same amount and for the same invoice. I cashed only the first check but the other two were in my possession until recently.

Last December, in talking to my brother, Olin R. Dennis of Freeport, Ill., I told him of my experiences with CCC and that they still owed me money for handling corn in 1943. He asked for my file containing all the correspondence and information and took this with him when he called at the Chicago office of Commodity Credit Corporation on December 23, 1948. They had their own file as well as mine before them, and they admitted they had no written agreement, but still refused to pay. My brother then made some remarks as to their unfairness and inefficiency and disclosed the fact that they had paid me three times to cover the same service.

On January 17, 1949, Mr. Joseph E. Hayes, representing CCC and Mr. Frank Hubert, of McLean County Farm Bureau called at my office and asked to see the checks. I told them I was going to put them up in my office with an explanation to show taxpayers how CCC used their money. Mr. Hayes asked me

to please not do this. He promised that if I would let him have the checks, he would see that I got the money due me since 1943. In order to close the matter, I gave them to him and later received a check in full from CCC for my claim which they previously refused to pay many times.

There was really no connection between the corn handled in 1943 and that handled under a different plan in 1944. It is very apparent that I was paid only so they could recover evidence of their inefficiency. Not only did CCC pay me three times for the same invoice but they had not found their errors in almost 5 years, and then someone had to tell them about it. I don't think this could happen in any office where competent grain men and auditors were employed.

I recently sold my elevator and was influenced in doing so by the fact that CCC will no doubt handle a large percent of the crops this year. I have no desire to continue in business and work with people who apparently know little or nothing about handling grain. I had more difficulty in handling a few thousand bushels of grain for Commodity Credit Corporation than I have had handling millions of bushels through the regular grain trade over a period of 25 years.

Mr. WILLIAMS. Mr. President, I might say that in this letter Mr. Dennis points out how, in his opinion, the claim, which had been 5 or 6 years outstanding, was paid. He said the claim, which he felt was due, but which had been denied, was paid by the Corporation for the sole purpose of getting back from him the two checks which they had paid apparently before he forwarded them to the Senator from Delaware. Mr. Dennis, in a conversation, pointed out that he had kept these two or three checks for 4 or 5 years, had them framed in his office, as he said, to show to his customers and to the people in his vicinity, what kind of a loose business was being conducted by the Commodity Credit Corporation, and he wanted to wait, as he said, to see how long it took somebody in Washington to discover that they were paying two or three times for the same transaction. There was nothing wrong with what Mr. Dennis did, and I appreciated the fact that he called the matter to our attention. He had called it to the attention of the Corporation many times before, and the checks were turned in.

The transaction referred to above was called to the attention of the Department of Agriculture along with other instances in which the transactions appeared questionable, and on August 30, 1949, they confirmed the fact that upon investigation they had paid the 6-year outstanding claim of the Padua Grain Co. and in turn had obtained from Mr. Dennis the two outstanding checks representing the triplicate payment.

The Department of Agriculture denied that there was any connection between the two transactions. However, it is interesting to note that the settlement for the claim, according to the Department of Agriculture's letter, was made on March 30, 1949, 5 days after my disclosure in the Senate of the irregularities in this Corporation, and 4 days after Mr. Dennis had forwarded me a copy of a letter which he was sending to the majority leader, the Senator from Illinois [Mr. LUCAS], in which he not only outlined the triplicate payment, but also advised the Senator that a copy of his letter of complaint was being forwarded to my office.



Following the discovery of the \$1,190.90 overpayment to the Padua Grain Co., a spot check was made of other accounts in that area and 11 other similar cases of overpayments were uncovered and refunds amounting to \$5,076.40 were repaid to the Corporation.

At this point, Mr. President, I ask unanimous consent to have inserted in the RECORD a list of other overpayments under the 1944 corn purchase program disclosed by examination made following disclosure of overpayments to the Padua Grain Co., Padua, Ill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	<i>Amount</i>
Davis Grain Co., Toulon, Ill.-----	\$48.50
Sutherland Grain Co., Sutherland, Iowa-----	23.35
Farmers Elevator Co., Gowrie, Iowa-----	435.65
H. L. Danielson Elevator, Newell, Iowa-----	86.05
Farmers Mutual Cooperative Co., Alton, Iowa-----	507.99
Lake Park Farmers Elevator, Lake Park, Ill.-----	720.11
Lake Park Grain Co., Lake Park, Ill.-----	780.08
Francis Sherry Elevator, Flanagan, Ill.-----	86.25
Holmquist Grain & Lumber Co., Lyons, Nebr.-----	909.02
R. H. Coorts Elevator, Hartsburg, Ill.-----	847.60
Farmers Union Cooperative Elevator, Wern, Nebr.-----	631.80
Total-----	5,076.40

Mr. WILLIAMS. Mr. President, on the books of the Commodity Credit Corporation there appeared another questionable transaction which occurred in 1942 involving two carloads of canned meat representing \$45,090.

On April 12, 1949, I directed a letter to Mr. Ralph S. Trigg, President of the Commodity Credit Corporation, requesting full details about this transaction.

Mr. President, at this point I ask unanimous consent to have inserted in the RECORD a copy of that letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
Washington, D. C., April 12, 1949.  
Mr. RALPH S. TRIGG,  
President, Commodity Credit Corporation,  
United States Department of Agriculture,  
Washington, D. C.

DEAR MR. TRIGG: Will you please furnish me with the full details regarding the transaction involving two carloads of canned luncheon meat processed by the Dold Packing Corp., Buffalo, N. Y., and accepted at Buffalo by the War Food Administration inspectors for shipment to Russia via Portland, Maine?

This transaction was covered by contract No. 22973, shipping order MFO 242, and the approximate date was May 1942.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, on April 22, 1949, I received an acknowledgment to my letter from Mr. Trigg, stating that the records for that period had been placed in permanent storage, but that the information requested would be furnished at the earliest possible date.

Mr. President, at this point I ask unanimous consent to have inserted in the RECORD a copy of that letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
COMMODITY CREDIT CORPORATION,  
Washington, D. C., April 22, 1949.  
Hon. JOHN J. WILLIAMS,  
United States Senate.

DEAR SENATOR WILLIAMS: This will acknowledge receipt of your letter of April 12, 1949, in which you requested full details regarding the transactions involving two carloads of canned luncheon meat purchased from the Dold Packing Corp., Buffalo, N. Y., by the Federal Surplus Commodities Corporation under contract No. 22973 and shipped to Portland, Maine, under shipping order MFO-242 in 1942.

We find that the records pertaining to the Federal Surplus Commodities Corporation for this period have been placed in permanent storage, and that some of them are located outside of Washington, D. C., because of the wartime location of the operating offices in which such records were originally developed. However, we shall furnish the information you requested at the earliest possible date.

Sincerely yours,

RALPH S. TRIGG,  
President.

Mr. WILLIAMS. Mr. President, on June 8, 1949, I received a letter from Mr. Trigg, in answer to an inquiry by me on another subject, and included in that letter further reference was made to this canned-meat transaction. I quote from that letter that portion which referred to the canned-meat transaction:

You also requested detailed information in two other letters, one of April 12 in connection with two carloads of canned luncheon meat processed by the Dold Packing Corp., Buffalo, N. Y., in 1942, and the other on May 17 relative to an item of \$18,500,000 referred to on pages 59 and 60 of the Report of the General Accounting Office on the Commodity Credit Corporation for the year ended June 30, 1945, and submitted to the Congress on March 30, 1949.

We have already performed considerable work on these requests, but, under the circumstances, we respectfully suggest that these inquiries also be handled as a part of the investigation. This will permit all related phases of these matters to be covered comprehensively at one time and at a savings to the Government.

On June 10, 1949, I directed a reply to Mr. Trigg, at which time I took exception to their withholding the information requested by me on the basis that they would subsequently furnish the information to the committee, and at this point, Mr. President, I ask unanimous consent to have inserted in the RECORD my letter of June 10, 1949, to Mr. Trigg.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
Washington, D. C., June 10, 1949.  
Mr. RALPH S. TRIGG,  
President, Commodity Credit Corporation,  
United States Department of Agriculture,  
Washington, D. C.

DEAR MR. TRIGG: In reply to your letter of June 8, 1949, I am not at all satisfied with that portion thereof in which you refuse to furnish the information requested by me in my letter of April 12, 1949, regarding the transaction involving the two carloads of canned luncheon meat. In my original request I furnished you with rather detailed

information regarding this transaction, including the actual contract and shipping order numbers, name and location of the corporation from which shipped, and final designated destination for these two cars.

The request for this information was presented to you approximately 2 months ago, during which time I have repeatedly been advised by your office that the information was being obtained from your New York office and finally, this week, I was again advised that the information was assembled and would be available within a few days. I was therefore very much surprised that in your letter of June 8 you saw fit to refuse this information. The Senate Investigating Committee has already been advised regarding this transaction; however, I still insist upon a reply to my letter of April 12, 1949.

In this same letter of June 8, you refer to the problem of compiling the information requested in my letter of May 4, 1949, regarding the 1944 shell-egg program. I will withdraw my request at this time for a breakdown of the transaction under items (a) and (c) as referred to in your letter of May 3, 1949. However, with reference to item (d) referred to in the same letter, namely, the 1,198,973 dozen eggs charged off as spoiled or damaged in transit or in warehouses, I do want to know whether or not claims were filed against the transportation companies or warehouse companies to recover this loss, and if so, to what extent.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, on July 7, 1949, I received a reply from Mr. Trigg in which he confirmed that an error had been made by the Corporation in that they had erroneously paid the Dold Packing Corp. of Buffalo, N. Y., \$45,090 for two carloads of canned luncheon meat which had never been delivered to the Government and, upon demand, the Dold Packing Corp. had refunded to the Commodity Credit Corporation the \$45,090.

At this time, Mr. President, I ask unanimous consent to have inserted in the RECORD a copy of Mr. Trigg's letter dated July 7, 1949.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
COMMODITY CREDIT CORPORATION,  
Washington, D. C., July 7, 1949.  
Hon. JOHN J. WILLIAMS,  
United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of June 10, 1949. Contrary to the statement made in your letter we did not refuse to furnish any of the information you requested, but respectfully suggested to you that your inquiries be handled as a part of the investigation being conducted by a subcommittee of the Senate Committee on Expenditures in order to avoid duplication of effort and expense. Notwithstanding the possibilities for duplication of effort and expense, we submit the information you requested.

Where the facts were such as to indicate liability on the part of carriers or warehousemen and the loss could be adequately documented, claims were filed for shell eggs spoiled or damaged. However, due to the wartime conditions under which this emergency program was conducted, there were relatively few such claims. In the greater number of instances the losses represented deterioration of portions of lots for the reasons pointed out in the War Food Administration hearings, namely, these were current receipt eggs and were generally purchased without being inspected or candled because of the extreme scarcity of facilities



and labor at the time. Another important factor was the unavailability of the usual types of containers, i. e., egg crates. In many cases it was necessary that improvised containers be used which resulted in greater losses than would normally be the case. These factors are, of course, not present in the current egg price support program and would not recur in the event it were deemed necessary to carry out a shell egg program at some future date.

There were approximately 700 individual potential claims involved in the 1,198,973 dozen eggs charged off, of which 254 were adjudicated as constituting a liability on the part of the carrier or warehouse. Recoveries were made in the amount of \$9,612.88; however, we are aware of a relatively few instances in which reclaims were subsequently submitted and allowed after submission of additional information and documentary evidence in support of the claimant's contentions. The dollar amount involved in such reclaims is obviously small. The extent to which such reclaims have been submitted and approved could only be furnished by reviewing and searching the general claims file of the Corporation for a considerable period of time. Accordingly, the cost of furnishing such information would appear to be prohibitive at this time even though personnel were available which is not the case.

The two cars of canned luncheon meat were shipped by the vendor to port in June 1942. Title was accepted and payment was made for the meat upon presentation of proper documentation subject to rejection at port if the 10-day incubation test then in process by the Bureau of Animal Industry proved the meat was not to be acceptable. The meat was found to contain an excess number of unsound cans and was returned to the vendor. There then ensued a period of approximately 2 years during which the vendor pursued numerous negotiations with BAI and apparently believed it had reasonable prospect of redelivering the meat under an acceptable inspection certification. These efforts failed, but the vendor did not refund the purchase price or replace the rejected quantity as generally practiced during the war period, nor did the War Food Administration (Federal Surplus Commodities Corporation) make demand for such refund. Upon receipt of information indicating the possibility of a refund being due and after a considerable search of the dead files, demand was made upon the vendor who refunded the amount involved under protest pending further effort to check his records of the transaction, which as indicated above occurred in 1942. On June 16, 1949, the vendor advised that two of their plant officials in charge at that time had subsequently died and since their records for 1942 in the main had been destroyed, it was not possible for them to check the transactions.

Because the item in question was not reflected as a receivable in the accounting records, we have undertaken a review of other comparable rejections to vendors, particularly as to failures by vendors to meet BAI standards. Our view has covered a substantial number of cases, but it is not entirely complete because of the necessity to refer to files long in dead storage in field locations. This review has disclosed no other case where refund has not been received. However, in furtherance of our efforts to make certain that the interests of the Government has been fully protected, we shall be glad to make a careful investigation of any further information in your possession which has not heretofore been disclosed to us.

Sincerely yours,

RALPH S. TRIGG,  
President.

Mr. WILLIAMS. Mr. President, since this letter of Mr. Trigg's of July 7, 1949,

was not quite clear as to whether or not this error had been discovered and the refund collected prior or subsequent to my disclosure, I directed a further letter to Mr. Trigg on that same date asking upon what date the error was discovered, and upon what date the repayment was made.

On July 12, 1949, I received a reply from Mr. Trigg confirming the fact that the refund was obtained as a result of my initial inquiry and that the payment was received from the Dold Packing Corp. on May 18, 1949, or 48 hours after the demand for payment was made.

At this point, Mr. President, I ask unanimous consent to have inserted in the RECORD a copy of my letter of July 7, 1949, addressed to Mr. Ralph S. Trigg, President of the Commodity Credit Corporation, together with a copy of the reply I received from Mr. Trigg on July 12, 1949.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
Washington, D. C., July 7, 1949.

Mr. RALPH S. TRIGG,  
President, Commodity Credit Corporation,  
United States Department of  
Agriculture, Washington, D. C.

DEAR MR. TRIGG: With further reference to your letter of July 7, 1949, in which you state that upon receipt of information indicating the possibility of a refund being due on the transaction involving the two cars of canned luncheon meat, you instituted proceedings which resulted in the collection of a refund.

Will you please advise me:

1. Upon what date was the referred-to information received?
2. Upon what date was the demand for repayment made upon the vendor?
3. Upon what date was the check in settlement received?
4. What was the amount of the check?
5. What was the amount involved in the original transaction, including any transportation charges which might have been paid by the Government?

Yours sincerely,

JOHN J. WILLIAMS.

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
COMMODITY CREDIT CORPORATION,  
Washington, D. C., July 12, 1949.

HON. JOHN J. WILLIAMS,  
United States Senate.

DEAR SENATOR WILLIAMS: This is in reply to your letter of July 7, 1949, in which you requested additional information on the transactions involving the two cars of canned luncheon meat purchased from the Dold Packing Corp. under contract FSC-22973, dated May 23, 1942.

The following information is submitted in the same order as requested in your letter:

1. The information indicating the possibility of a refund being due was developed by the PMA Commodity Office, New York, N. Y., on or about April 13, 1949, as a result of your initial inquiry dated April 12, 1949.
2. Demand for repayment from the vendor was made on May 16, 1949, following an extensive search of files for documentary evidence in support of the transactions.
3. The vendor submitted its check in settlement of the account on May 18, 1949. This check was received with a letter of protest by the vendor pending completion of a recheck of their records for evidence of either replacement shipments or prior reimbursements to the Federal Surplus Commodities Corporation. On June 16, 1949, the vendor further advised that two of their

plant officials in charge during the time the transactions occurred had since died, and since their records for 1942 in the main had been destroyed, it was not possible for them to check the transactions.

4. The amount of the check was \$45,090.

5. The amount involved in the original transaction was \$45,090, as all transportation was paid on commercial bills of lading by the vendor.

Sincerely yours,

RALPH S. TRIGG.

Mr. WILLIAMS. Mr. President, it is interesting to note that this item of \$45,090 had remained undiscovered on the books of the Corporation for 7 years.

The record indicated that this \$45,090 check was initially paid to the Dold Packing Corp. for delivery of two carloads of meat which were subsequently rejected by the Government as unfit. For a period of nearly 2 years this item was carried pending on the books of the Corporation, during which time the Government apparently was attempting to obtain delivery of two substitute carloads of acceptable meat, or else obtain a refund of payment which had previously been made.

However, the transaction never was carried through, nor were the books reconciled by either the delivery of the meat or the refund of the purchase price therefor. Under the loose bookkeeping policies of the Corporation, this item was either overlooked or ignored and I could find no record anywhere indicating where at any time during the past 5 years the Corporation made any effort to adjust this account, nor is there any indication that during the recent years the Corporation even knew that the item was outstanding until I called the discrepancy to their attention in April 1949.

I do not know of how many other similar cases of irregularities could be discovered if it were possible to reconstruct the files relating to the \$96,440,497 which was the unreconciled balance appearing on the books as of June 30, 1947.

This \$96,440,497 which was subtracted from the assets of the Corporation as of June 30, 1947, in order to bring the books of the Corporation in balance, cannot be excused on the basis that it represented transactions between Government agencies only. If so, how can they account for the fact that the 13 errors uncovered through my office all represented transactions 100 percent with private individuals and corporations?

I repeat, Congress should not even consider extending the borrowing authority to this Corporation by an additional \$2,000,000,000 until such time as the books of the Corporation have been audited and the reports of the audits submitted to Congress in accordance with the law. That has not been done for the year 1948 nor for the year 1949.

As Members of the Senate, I do not believe we have any right to authorize an additional \$2,000,000,000 for this Corporation, regardless of the merits of the bill, until such time as the books have been submitted. I think we should stop the bill where it is and wait for the Corporation to submit the books.

Mr. President, in the hope that that can be done, and joining with the majority leader in the hope that we can fin-



ish this business tonight, I have concluded my remarks.

Before yielding the floor, if there is any Senator who wishes to take exception to any statement which has been placed in the RECORD—and I notice that the majority leader is on the floor—or if there are any Senators who wish to ask any questions, I shall be glad to yield.

If there are no questions—apparently there are none—I shall suggest the absence of a quorum.

I hope we can conclude this business tonight.

Mr. LANGER. Mr. President, before the Senator suggests the absence of a quorum, will he yield to me?

Mr. WILLIAMS. Very well; I shall withhold temporarily the suggestion of the absence of a quorum, and I yield to the Senator from North Dakota for a question only.

Mr. LANGER. Does the Senator from Delaware believe that it would benefit the Senate if we studied this matter before voting on this measure?

Mr. WILLIAMS. I think so, or perhaps we could postpone the vote on the bill to an indefinite date in the future, rather than kill the bill, and in the meantime get the books before us. If the Secretary of Agriculture and the Commodity Credit Corporation were given to understand that these books must be submitted to us before any action at all will be taken by the Senate on this measure, I am sure the books would soon be submitted to us. The books are in Washington, downtown; and the law requires that they be submitted to the Congress. It is time that the law be complied with.

Mr. LANGER. Mr. President, will the Senator yield for another question?

Mr. WILLIAMS. I yield for a question.

Mr. LANGER. In order to get this information, let me ask the distinguished Senator whether he thinks it would be wise for us to recommit the bill, so that the committee could take further testimony and could report to the Senate by a certain, specified date.

Mr. WILLIAMS. I am glad the Senator from North Dakota has suggested that course, and I think perhaps it would be a better one to pursue, rather than for us to defeat the bill. I think the action the Senator from North Dakota has just suggested perhaps would be the better action to take; and I shall give it consideration, and shall be willing to make a motion to that effect, so as to have the Senate take such action.

However, I think more Members of the Senate than the number of Senators now in the chamber should be present when we decide exactly what we shall do in this connection.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield for a question.

Mr. LANGER. Inasmuch as the Senator from Delaware was present in the committee, I am very much interested in the various items the Senator has said he has discovered as he enumerated them toward the conclusion of his speech.

Let me inquire how many items the Senator discovered; how many items were there?

Mr. WILLIAMS. I think there were 13 on which the money was paid back or on which the money was collected.

Of course, I wish to have it clearly understood that I did not collect the money. The money was paid into the Corporation, and the Department or the Corporation did the running down of the items after they were called to their attention. However, the money was paid back to the Corporation.

The most important point is that before these recognized errors were called to their attention they were still claiming that their books balanced. That is what I do not understand.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield for a question.

Mr. LANGER. What puzzles me is how the books could balance and then later the distinguished Senator from Delaware discovered a \$45,000 item.

Mr. WILLIAMS. I do not understand it; nor do I understand what prompted the Secretary of Agriculture to write a letter to the Senate a year ago saying that the Senator from Delaware did not know what he was talking about when he said that \$350,000,000 was unaccounted for. I do not understand what prompted the Secretary of Agriculture to say at that time that all of the money was accounted for when he, himself, knew it was not accounted for. He had to know that, if he was on the job, because a year later he wrote another letter to the committee, and in it he said that all but \$96,000,000 was accounted for.

So certainly the Secretary of Agriculture knew something about it; if he did not, he was not attending to his business. He could have checked the records easily, and he could have checked them after he made the statement, and before he wrote the letter, if he knew what he was talking about.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Butler	Ives	Morse
Capehart	Kilgore	Neely
Donnell	Langer	Robertson
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lucas	Thye
Ferguson	McCarran	Wherry
Fear	Magnuson	Williams
Hill	Martin	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. CAIN, Mr. HENDRICKSON, Mr. HOLLAND, Mr. LONG, and Mr. MUNDT answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. LUCAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. FULBRIGHT, Mr. JOHNSON of Texas, Mr. SALTONSTALL, Mr. BREWSTER, Mr. HAYDEN, Mr. BRICKER, and Mr. RUSSELL entered the Chamber and answered to their names.

After a further delay Mr. FLANDERS, Mr. McMAHON, Mr. JOHNSON of Colorado, Mr. KNOWLAND, Mr. MALONE, and Mr. YOUNG entered the Chamber and answered to their names.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator will state it.

Mr. CAIN. Is a motion to adjourn in order?

The PRESIDING OFFICER. A motion to adjourn is in order.

Mr. CAIN. I move the Senate adjourn.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington that the Senate adjourn.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. A quorum is not present. That fact has already been ascertained. The motion to adjourn is in order.

Mr. LUCAS and Mr. CAIN asked for the yeas and nays, and they were ordered.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. McKELLAR], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Arizona [Mr. McFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. PEPPER], the Senator from Utah [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congress-



sional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Maine would vote "nay," and the Senator from New Jersey would vote "yea."

The Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Massachusetts [Mr. LODGE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Ohio [Mr. TAFT], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Utah [Mr. WATKINS] are necessarily absent.

The result was announced—yeas 19, nays 28, as follows:

## YEAS—19

Brewster	Ferguson	Martin
Bricker	Flanders	Morse
Butler	Hendrickson	Saltonstall
Cain	Ives	Wherry
Donnell	Knowland	Williams
Dworshak	Langer	
Ecton	Malone	

## NAYS—28

Aiken	Johnson, Tex.	Mundt
Capehart	Kilgore	Neely
Ellender	Leahy	Robertson
Frear	Lehman	Russell
Fulbright	Long	Sparkman
Hayden	Lucas	Stennis
Hill	McCarran	Thye
Hoey	McMahon	Young
Holland	Magnuson	
Johnson, Colo.	Maybank	

## NOT VOTING—49

Anderson	Eastland	Kefauver
Benton	George	Kem
Bridges	Gillette	Kerr
Byrd	Graham	Lodge
Chapman	Green	McCarthy
Chavez	Gurney	McClellan
Connally	Hickenlooper	McFarland
Cordon	Humphrey	McKellar
Darby	Hunt	Millikin
Douglas	Jenner	Murray
Downey	Johnston, S. C.	Myers

O'Connor	Taft	Vandenberg
O'Mahoney	Taylor	Watkins
Pepper	Thomas, Okla.	Wiley
Schoeppel	Thomas, Utah	Withers
Smith, Maine	Tobey	
Smith, N. J.	Tydings	

So the Senate refused to adjourn.

The PRESIDING OFFICER. A quorum still is not present.

The Sergeant at Arms will continue his efforts to develop the presence of a quorum.

After a little delay, Mr. McCLELLAN and Mr. WATKINS entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. WILLIAMS. Mr. President, I move that the bill be recommitted to the Committee on Agriculture and Forestry, with instructions to report the bill back to the Senate on June 20; that the committee be instructed during the intervening period to give consideration to the Aiken amendment, which was rejected this afternoon, which would circumscribe the authority of the Secretary of Agriculture; and at the same time, during the interval, to obtain from the proper departments the audited reports of this Corporation for the fiscal years 1948 and 1949, so that they may be examined by the Committee and the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS].

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educa-

tional, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

I announce further that if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY], are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and, if present and voting, would vote "nay."

The Senator from New Jersey [Mr. SMITH] who is necessarily absent, is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Massachusetts [Mr. LODGE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY], are necessarily absent.



The result was announced—yeas 21, nays 30, as follows:

## YEAS—21

Brewster	Ferguson	Malone
Bricker	Flanders	Martin
Butler	Hendrickson	Morse
Cain	Ives	Saltonstall
Donnell	Knowland	Watkins
Dworshak	Langer	Wherry
Ecton	McCarran	Williams

## NAYS—30

Aiken	Johnson, Tex.	Mundt
Capehart	Kilgore	Neely
Ellender	Leahy	O'Mahoney
Frear	Lehman	Robertson
Fulbright	Long	Russell
Hayden	Lucas	Sparkman
Hill	McClellan	Stennis
Hoey	McMahon	Thye
Holland	Magnuson	Withers
Johnson, Colo.	Maybank	Young

## NOT VOTING—45

Anderson	Green	Murray
Benton	Gurney	Myers
Bridges	Hickenlooper	O'Connor
Byrd	Humphrey	Pepper
Chapman	Hunt	Schoeppel
Chavez	Jenner	Smith, Maine
Connally	Johnston, S. C.	Smith, N. J.
Cordon	Kefauver	Taft
Darby	Kem	Taylor
Douglas	Kerr	Thomas, Okla.
Downey	Lodge	Thomas, Utah
Eastland	McCarthy	Tobey
George	McFarland	Tydings
Gillette	McKellar	Vandenberg
Graham	Millikin	Wiley

So Mr. WILLIAMS' motion was rejected.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. IVES and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. McKELLAR], the Senator from Arizona [Mr. McFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONNOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from New Jersey would vote "nay."

On this vote the Senator from Tennessee [Mr. McKELLAR] is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Maryland would vote "nay."

I announce further that if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Tennessee [Mr. KEFAUVER and Mr. McKELLAR], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Arizona [Mr. McFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Utah [Mr. THOMAS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Kansas [Mr. SCHOEPPel], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate. If present and voting, the Senator from Wisconsin [Mr. WILEY] and the Senator from Kansas [Mr. SCHOEPPel] would each vote "yea."

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and, if present and voting, would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Massachusetts [Mr. LODGE], who is necessarily absent. If present and voting, the Senator from Iowa would vote

"yea," and the Senator from Massachusetts would vote "nay".

The Senator from New Jersey [Mr. SMITH] who is necessarily absent is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Rhode Island would vote "yea".

The Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. McCARTHY], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY], are necessarily absent. If present and voting, the Senator from Ohio [Mr. TAFT] would vote "yea".

The result was announced—yeas 46, nays 5, as follows:

## YEAS—46

Aiken	Holland	Maybank
Brewster	Johnson, Colo.	Morse
Bricker	Johnson, Tex.	Mundt
Butler	Kilgore	Neely
Cain	Knowland	O'Mahoney
Capehart	Langer	Robertson
Donnell	Leahy	Russell
Dworshak	Lehman	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Thye
Ferguson	McCarran	Watkins
Flanders	McClellan	Wherry
Fulbright	McMahon	Withers
Hayden	Magnuson	Young
Hill	Malone	
Hoey	Martin	

## NAYS—5

Frear	Ives	Williams
Hendrickson	Saltonstall	

## NOT VOTING—45

Anderson	Green	Murray
Benton	Gurney	Myers
Bridges	Hickenlooper	O'Connor
Byrd	Humphrey	Pepper
Chapman	Hunt	Schoeppel
Chavez	Jenner	Smith, Maine
Connally	Johnston, S. C.	Smith, N. J.
Cordon	Kefauver	Taft
Darby	Kem	Taylor
Douglas	Kerr	Thomas, Okla.
Downey	Lodge	Thomas, Utah
Eastland	McCarthy	Tobey
George	McFarland	Tydings
Gillette	McKellar	Vandenberg
Graham	Millikin	Wiley

So the bill (H. R. 6567) was passed.

Mr. ELLENDER. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. LUCAS, Mr. HOLLAND, Mr. AIKEN, and Mr. THYE conferees on the part of the Senate.

## EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there are no reports of committees, the clerk will state the nominations on the calendar.

## MOTOR CARRIER CLAIMS COMMISSION

The executive clerk read the nomination of Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission.

Mr. LUCAS. Mr. President, that nomination should be passed over for the time being.



The PRESIDING OFFICER. Without objection, the nomination is passed over.

#### DEPARTMENT OF THE AIR FORCE

The executive clerk read the nomination of John A. McCone, of California, to be Under Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. DONNELL. Mr. President, is it the intention of the majority leader to move or request that the President be notified of the confirmation of the nomination?

Mr. LUCAS. I will say to the Senator from Missouri that it is not my intention, and I can assure him that from now on I shall not make that request, in view of his repeated admonitions that he does not want it done, that he wants the Senate to abide by the rules respecting that particular situation.

Mr. DONNELL. I very greatly appreciate the courtesy of the Senator, and I thank him for it.

#### DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Dale E. Doty, of California, to be Assistant Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume legislative session.

#### ESTABLISHMENT OF A JOINT SENATE AND HOUSE RECORDING FACILITY

Mr. LUCAS. Mr. President, there is a joint resolution on the calendar, House Joint Resolution 332, to which there is no objection, as I understand. The resolution provides for the establishment of a joint Senate and House recording facility, and I ask unanimous consent for the immediate consideration of the joint resolution.

Mr. WHERRY. Reserving the right to object, this joint resolution has been reported by the Committee on Rules and Administration. The distinguished Senator from South Dakota [Mr. MUNDT], together with the Senator from Connecticut [Mr. BENTON], gave considerable study to this arrangement for recording the speeches and observations of Senators and Representatives. The private property of the person who has been using it has been purchased, and it will now become the property of the Senate and the House. The report comes unanimously from the Committee on Rules and Administration. So far as the minority leader is concerned, there is no objection. I think, however, that inasmuch as the junior Senator from South Dakota is present, he might probably make a further explanation which I think would be in order at this time.

Mr. LUCAS. Mr. President, the report is very brief, and I ask unanimous consent that it be placed in the body of the RECORD at this point.

There being no objection, the report (No. 1490) was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the joint resolution (H. J. Res. 332) providing for the establishment of a joint Senate and House record-

ing facility, having considered the same, report it favorably to the Senate with an amendment and recommend that the joint resolution, as amended, do pass.

This resolution, as amended by the Senate, will place the control of the Senate and House joint radio facility, now being administered by the Secretary of the Senate and the Clerk of the House of Representatives, under the direction of a joint committee chosen from the membership of the Senate Committee on Rules and Administration and the Committee on House Administration of the House.

This procedure is at variance with the House text, which would leave the control of the facility to the Secretary and the Clerk. The Committee on Rules and Administration, however, feels that a subcommittee of the administration committees of both Houses of the Congress will be in a better position to oversee the functions of the facility and its services for Congress in the same manner that subcommittees of the two standing committees mentioned above keep jurisdiction over the Library of Congress and the Government Printing Office.

The new provision also inserted by the committee would authorize the disbursement of not less than \$13,000 nor more than \$15,000 for the purchase of privately owned equipment now in use at the facility and currently under lease by the Senate and the House from the Coordinator, pursuant to an agreement entered into on August 1, 1947.

All current bank balances which have resulted from the operation of the facility since 1947, approximately \$64,700, will be placed in a revolving fund to finance future expenses, other than salaries, of the facility. The House text provides that this revolving fund shall be established in the Treasury. The amendment recommended by the committee places such fund within the contingent fund of the House, to be disbursed on vouchers of the chairman of the joint committee, but with the concurrence of the chairman of the House Administration Committee.

Salaries of the facility will continue to be met by appropriations under the yearly legislative appropriation acts.

The committee amendment also authorizes the making of disk, film, and tape recordings, and the operation of a public-address system for the benefit of the congressional committees. The bond conditions of the House text are retained, and the superintendent who will administer the facility under the joint resolution is to render quarterly reports of his operations to the joint committee. An audit must be taken each year, or at lesser intervals, if the joint committee so desires.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MUNDT. Mr. President, the distinguished junior Senator from Connecticut [Mr. BENTON] and I were a committee of two selected by the Committee on Rules and Administration of the Senate. We held hearings on the matter and went into it very thoroughly. There is no expense to the Senate involved. It simply provides a better system of bookkeeping and housekeeping.

Mr. FLANDERS. Mr. President, due to some little confusion I do not know to what resolution the Senator is referring. May I be informed? What calendar number are we considering?

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 332) providing for the establishment of a joint Senate and House recording facility.

Mr. LUCAS. It is a facility which the Senator from Vermont uses occasionally.

Mr. FLANDERS. I am very glad to use the facility, and I am in hearty support of the resolution.

Mr. LUCAS. I was sure the Senator would be in support of it when he found out what it was all about.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 332) providing for the establishment of a Joint Senate and House Recording Facility, which had been reported from the Committee on Rules and Administration with an amendment to strike out all after the enacting clause and to insert:

That there is hereby established a Joint Senate and House Recording Facility (hereinafter referred to as the Facility).

(a) The Facility shall assist Members of the Senate and House of Representatives in making disk, film, and tape recordings, arranging for time for radio broadcasts of such recordings, and in the performance of such other functions and duties in connection therewith as may be necessary, including the maintenance and operation of a public-address system for the convenience of the Senate and the House (including any committee of either House of Congress, and any joint committee).

(b) The recording and other facilities shall be for the exclusive use of the Members of the Senate and House.

(c) There is hereby established a joint congressional committee (hereinafter referred to as the "Committee") to be composed of three members of the Senate Committee on Rules and Administration, to be appointed by the President of the Senate, and three members of the Committee on House Administration of the House of Representatives, to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall select a chairman and a vice chairman from among its members.

(d) The committee shall exercise supervision and control over the Facility, and shall promulgate such annual regulations as may be necessary to carry out the purposes of this joint resolution.

(e) Subject to the appropriations made therefor, the committee is authorized to appoint and fix the compensation of a superintendent and such other employees as are deemed necessary to carry out the purposes of this joint resolution. The Coordinator of the Joint Facility and the employees thereof shall continue in office until the committee makes the appointments authorized herein.

(f) The superintendent shall, subject to the approval of the committee, set the price of all recordings, public-address-system rentals, and other services, and collect all moneys due the Facility.

(g) All purchase orders of the Facility of more than \$100 previous to being issued by the superintendent, shall be approved by the chairman of the committee.

(h) The superintendent shall maintain detailed records of all moneys collected, deposited, and expended, and shall file quarterly reports thereof with the committee. Such records shall be audited annually, and at lesser intervals if the committee so directs.

(i) All balances of the Joint Facility on hand on the date of enactment of this joint resolution and all moneys hereafter received by the Facility from sales or rentals, the sale









such egg-candling services [would not be] within the agricultural exemption."

As a result of this decision, employees of Farmer Cooperatives, who, along with their employers, have contributed to the social-security fund, are denied benefits normally accruing from such fund solely because they are employed by Farmer Cooperatives. They would be covered and receive benefits under the act if they were doing identical work for noncooperative organizations. The Senate and House versions of H. R. 6000, we believe, will cure this defect in the future if either the Senate or House version is enacted. However, this does not relieve the discrimination with respect to employees and employers who have contributed to the fund in the past in the honest belief that they were covered by its terms. Under the present law, in fact, the employer and employee are prohibited from securing refunds from amounts paid to the funds for periods preceding 4 years prior to the time a claim is filed. In other words, employees of the Poultry Producers of Central California and similar cooperative organizations who have contributed to the fund for approximately 10 years are deprived from receiving any benefits under the fund and prohibited from receiving refunds, except for the final 4 years of the period.

The amendments herewith proposed would cure this situation.

#### HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1022. An act conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del.;

H. R. 1789. An act for the relief of Shelby Shoe Co., of Salem, Mass.;

H. R. 1854. An act for the relief of Kenneth Everard Hadfield;

H. R. 2234. An act for the relief of Mrs. Gladys J. Senyohi McCarthy;

H. R. 2256. An act for the relief of Angelina Marsiglia;

H. R. 2462. An act for the relief of Miju Iseri Tsuda;

H. R. 2600. An act for the relief of Ralph Dunsmore;

H. R. 2808. An act for the relief of Grace G. Walker;

H. R. 3316. An act for the relief of the estate of the late Francisco J. Cordova;

H. R. 3328. An act for the relief of Daniel Lindsey Payne;

H. R. 3995. An act for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi;

H. R. 4528. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5109. An act for the relief of Geraldine L. Smith, mother and natural guardian of Thomas Clayton Smith, a minor;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5381. An act for the relief of Billy Ray Ridenour and L. L. Ridenour;

H. R. 5470. An act for the relief of Joseph A. Haddad;

H. R. 5849. An act for the relief of Samuel M. Kornegay;

H. R. 5960. An act for the relief of Lt. Comdr. Evan L. Krogue;

H. R. 5979. An act for the relief of John Twelt;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6758. An act for the relief of Ruby Thaw and Hia Sein;

H. R. 7016. An act for the relief of Mrs. Margaret O'Donnell and Mrs. Arlene R. Shannon;

H. R. 7046. An act for the relief of C. W. Jacobs;

H. R. 7074. An act for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka;

H. R. 7078. An act for the relief of Mrs. Eiko Yamada Nagatoshi, Edward Takeo Nagatoshi, and Frances Yoko Nagatoshi;

H. R. 7114. An act for the relief of John Joseph Griffin;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7314. An act for the relief of Yukie Nishimura Okubo;

H. R. 7392. An act for the relief of Columbus Finley;

H. R. 7428. An act to admit Mrs. Erna Thebt to the United States for permanent residence;

H. R. 7608. An act for the relief of Mitsuko Morita;

H. R. 7629. An act for the relief of Fumiko Arakawa and her child Rie;

H. R. 7706. An act for the relief of Ayako Kurihara;

H. R. 7779. An act for the relief of Mrs. Stamatia Lymberopoulos and Leonidas Stavrou Limperopoulos;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 7899. An act for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter;

H. R. 7944. An act for the relief of Mr. and Mrs. Albert Chandler;

H. R. 7961. An act for the relief of Chiyoko Yano;

H. R. 8067. An act for the relief of Mrs. Yup Boon (Joan) Kim Skanes;

H. R. 8098. An act for the relief of Teruko Ishikawa;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8119. An act for the relief of Midori Ohta (also known as Mary Stephen);

H. R. 8125. An act for the relief of Mrs. Hisae Kawauchi Kelly;

H. R. 8155. An act for the relief of Chiyo Furumura Yoshida;

H. R. 8180. An act for the relief of Parue K. Tsugami;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8382. An act for the relief of Mrs. Misao Hatanaka Deskins;

H. R. 8519. An act for the relief of the estate of Archer C. Gunter; and

H. R. 8585. An act for the relief of Athina Mary Onassis; to the Committee on the Judiciary.

H. R. 6270. An act to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.;

H. R. 6699. An act to authorize the sale of certain land on the Rosebud Indian Reservation, S. Dak., allotted to Susan Eagle Dog;

H. R. 6703. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby; and

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross; to the Committee on Interior and Insular Affairs.

H. R. 8604. An act to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; to the Committee on Armed Services.

H. R. 8422. An act for the relief of Carmencita von Plettenberg; ordered to be placed on the calendar.

#### HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 187) favoring the grant of status of permanent residence to certain aliens was referred to the Committee on the Judiciary.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—APPOINTMENT OF ADDITIONAL CONFEREES

Mr. ELLENDER. Mr. President, I ask unanimous consent that the names of the Senator from North Carolina [Mr. HOEY] and the Senator from North Dakota [Mr. YOUNG] be added as conferees on the part of the Senate on the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

#### COMMENCEMENT ADDRESS BY AMBASSADOR HENRI BONNET AT FLORIDA STATE UNIVERSITY

[Mr. HOLLAND asked and obtained leave to have printed in the RECORD an address delivered by the Honorable Henri Bonnet, Ambassador of France, at the graduation exercises of the Florida State University, at Tallahassee, Fla., on June 5, 1950, which appears in the Appendix.]

#### IF YOU WERE JOE STALIN—ARTICLE BY SENATOR WILEY

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "If You Were Joe Stalin," written by Senator WILEY and published in the May 1950 issue of the Reserve Officer, which will appear hereafter in the Appendix.]

#### FIFTY-FIFTH ANNIVERSARY OF JEWISH WAR VETERANS—ADDRESS BY LOUIS B. MAYER

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address delivered by Louis B. Mayer at the dinner in New York celebrating the fifty-fifth anniversary of the founding of the Jewish War Veterans of the United States, which appears in the Appendix.]

#### COMMENCEMENT ADDRESS BY DAVID E. FINLEY AT UNIVERSITY OF SOUTH CAROLINA

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a commencement day address delivered by David E. Finley, Director of the National Gallery of Art, at the graduating exercises of the University of South Carolina, at Columbia, S. C., on June 5, 1950, which appears in the Appendix.]

#### HYDROELECTRIC DEVELOPMENT IN NEW ENGLAND—EDITORIAL COMMENT

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "The \$64 Question," published in the Boston (Mass.) Record of May 24, 1950, and



an editorial entitled "Out in Cold," published in the Boston (Mass.) American of May 25, 1950, relating to river development in New England, which appear in the Appendix.]

A THOUGHT FOR MEMORIAL DAY—  
EDITORIAL FROM THE MONTEVIDEO  
(MINN.) NEWS

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "A Thought for Memorial Day," published in the Montevideo (Minn.) News, which appears in the Appendix.]

REQUESTS FOR VETO OF BASING-POINT  
BILL

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD memorials addressed to the President of the United States by officers of the National Federation of Independent Business, the National Association of Retail Druggists, and the United States Wholesale Grocers' Association, requesting a veto of Senate bill 1008, which appear in the Appendix.]

REPORT OF CITIZENS COMMITTEE ON  
DISPLACED PERSONS

Mr. McCARRAN. Mr. President, I ask unanimous consent to insert in the body of the RECORD a copy of a report which has been filed with the Secretary of the Senate, pursuant to the Lobbying Act, by the Citizens Committee on Displaced Persons showing receipts and expenditures for the quarter beginning January 1, 1950, and ending March 31, 1950.

I also ask unanimous consent to insert in the body of the RECORD a table which I have compiled from the quarterly reports which have been filed by the Citizens Committee on Displaced Persons, pursuant to the Lobbying Act.

There being no objection, the report and table were ordered to be printed in the RECORD, as follows:

MAY 1, 1950.

REPORT PURSUANT TO FEDERAL REGULATION OF  
LOBBYING ACT

A. Organization or individual filing—State name, business address, and nature of business: Citizens Committee on Displaced Persons, 303 Lexington Avenue, New York.

B. Employer—State name, address, and nature of business. If there is no employer, write "None." (If the work is done in the interest of one person, but payment therefor is made by another, list both persons as employers.) None.

C. Legislative interests, and publications in connection therewith:

1. State approximately how long legislative interests are to continue. If legislative interests have terminated with the current quarter: Please explain, so that this Office will no longer expect to receive reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known.

3. In the case of each publication which the person filing has issued or caused to be issued in connection with legislative interests, set forth: (a) Description, (b) quantity published, (c) date of publication, (d) name of printer.

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Until passage of H. R. 4567.

2. H. R. 4567.

3. (a) "It Is Still True"—a leaflet; (b) \$25,000; (c) January 1950; (d) La Salle Letter Co.

Also reprints of materials originally released prior to 1950.

4. NOTE.—If this is a preliminary report, in addition to the other data in the space above, state: (a) Whether compensation is to be paid by the day, by the month, or by the year; (b) what the rate of compensation is to be; (c) what the approximate period of employment will be; (d) what the nature and amount of anticipated expenses will be.

AFFIDAVIT

STATE OF NEW YORK,

County of New York, ss:

The undersigned affiant, being duly sworn, says:

1. That he has examined the attached report, numbered consecutively from page 1 through page 5, and the same is true, correct, and complete as he verily believes.

2. That he is secretary of the above-named organization for whom such report is filed, and that he is authorized to make this affidavit for and on behalf of such person. [If the report is for an individual, strike out paragraph 2.]

WILLIAM S. BERNARD,

Affiant.

Subscribed and sworn to before me this 28th day of April 1950.

LYDIA CONSTANTINO,

Notary Public, State of New York.

D. Receipts (including contributions and loans) (from which expenditures are made, or will be made, in connection with legislative interests):

Receipts (other than loans):

1. \$——— dues and assessments.

2. \$77,980.78 gifts of money.

3. \$——— printed or duplicated matter received as a gift.

4. \$——— receipts from sale of printed or duplicated matter.

5. \$——— received for services, i. e., salary, fee, per diem, etc.

6. \$——— other contributions received.

7. \$77,980.78 total for this quarter (add items 1 through 6).

8. \$——— received during previous quarters of calendar year.

9. \$77,980.78 total from January 1 through this quarter (add 7 and 8).

Loans received, section 302 (a). The term "contribution" includes a \* \* \* loan.

10. \$502,000 total now owed to others on account of loans.

11. \$——— borrowed from others during this quarter.

12. \$25,000 repaid to others during this quarter.

Contributors of \$500 or more (from January 1 through this quarter).

13. Have there been such contributors? Please answer "Yes" or "No": Yes.

14. In the case of each contributor whose contributions (including loans) during the period from January 1 through the last day of this quarter, total of \$500 or more. Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "amount" and "name and address of contributor; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Name and address of contributor (period from Jan. 1 through Mar. 31, 1950)

	Amount
John Doe, 1621 Blank Bldg., New York, N. Y.	\$1,500
The Roe Corp., 2511 Doe Bldg., Chicago, Ill.	1,785

Total 3,285

E. Expenditures (including loans) in connection with legislative interests:

Expenditures (other than loans):

1. \$4,707.22 public relations and advertising services.

2. \$16,327.04 wages, salaries, fees, commissions (other than item 1).

3. \$——— gifts or contributions made during quarter.

4. \$16,421.58 printed or duplicated matter, including distribution cost.

5. \$3,530.98 office overhead (rent, supplies, utilities, etc.).

6. \$4,121.17 telephone and telegraph.

7. \$5,030.04 travel, food, lodging, and entertainment.

8. \$327.32 all other expenditures.

9. \$50,465.35 total for this quarter (add "1" through "8").

10. \$——— expended during previous quarters of calendar year.

11. \$50,465.35 total from January 1 through this quarter (add 9 and 10).

Loans made to others:

(Sec. 302 (b). The term "expenditure" includes a loan. . . .)

12. \$——— total now owed to person filing.

13. \$——— lent to others during this quarter.

14. \$——— repayments received during this quarter.

15. \$——— if there is an employer, state what amount of the expenditures for this quarter has been or will be defrayed by such employer.

16. Recipients of expenditures of \$10 or more. In the case of expenditures made during this quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following headings: "Amount," "Date or dates," "Name and address of recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Date or dates—Name and address of  
recipient—Purpose

	Amount
7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo. Printing and mailing circulars on the Marshbanks bill.	\$1,750
7-15, 8-15, 9-15: Britten & Blatten, 3127 Gremlin Bldg., Washington, D. C. Public relations service, at \$800 per month.	2,400
Total	4,150

Citizens Committee on Displaced Persons  
contributions received Jan. 1 to Mar. 31,  
1950

	Amount
Lessing and Edith Rosenwald, Alverthorpe, Meetinghouse Rd., Jenkintown, Pa.	\$6,000.00
Janet Rosenwald, Henny-Penny Farm, Almshouse Rd., Jenkintown, Pa.	3,000.00
Julius and Julia Rosenwald, 7910 Whitewood Road, Elkins Park, Pa.	6,000.00
Robert and Barbara Rosenwald, Box 96, Rushland, Pa.	6,000.00
Isadore and Joan R. Scott, 268 Lenox Rd., Jenkintown, Pa.	6,000.00
Harry and Helen Snellenburg, Henny-Penny Farm, Almshouse Rd., Jenkintown, Pa.	6,000.00
Max and Marion Ascoli, 23 Gramercy Park South, New York City.	6,000.00
David and Adele Levy, 300 Park Ave., New York City.	6,000.00
Edgar and Edith Stern, 2110 American Bank Bldg., New Orleans, La.	6,000.00
Edward T. Cone, Cherry Hill Rd., Princeton, N. J.	500.00
International Ladies Garment Workers Union, 1710 Broadway, New York.	1,000.00

Total contributions of \$500  
or over 52,500.00

Contributions under \$500 25,480.78

Total contributions received  
Jan. 1 to Mar. 31, 1950 77,980.78



The bill is, of course, a first draft and is subject to improvement and modification as it is analyzed and considered by various interested groups, professions, and associations.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### INVESTIGATIONS

Mr. RICH. Mr. Speaker, I was very much interested in the gentlemen on this side of the aisle making requests that we ought to have an investigation of the airplane that came over to this country and went down in the Atlantic. Now, I cannot understand why when we have the laws that we do have on the statute books you have to have an investigation to determine whether those people had a right to come in here. We have the laws already. If you had any confidence in your departments of government, you would call up the departments and find out who they were. They ought to give you the whole data on it. As far as the airplane was concerned, you already have a board set up governing that phase. If you do not have any more confidence in the departments of this Government than you gentlemen seem to have over here, I think it is about time for a change.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from New York.

Mr. MARCANTONIO. Last year they crowded 53 people into a plane which crashed and this year they crowded 65 into a plane which crashed.

Mr. RICH. Well, you have a department of government set up for that purpose, and they can stop it if we only demand that that department do its duty.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### UNEMPLOYMENT

Mr. EDWIN ARTHUR HALL. Mr. Speaker, concerned as I am over the growing unemployment in the United States, I am of the opinion Congress should do something about it. I am submitting a resolution today which this House should adopt so that the State Department and the world may know we mean business.

I had understood in voting to send billions to foreign countries that American industry and agriculture would be aided and unemployment would be practically unknown.

Frankly, the main reasons I have gone along with the foreign-aid program are

to fight communism and to provide jobs for American workers through increased orders for American goods.

Perhaps we are successfully combating the onward march of the Kremlin into the nations we are helping abroad. I will not argue that point because I am not on the ground to see.

I do know, however, that our industrial activity has not yet been stimulated enough by this program to take up the slack in jobs.

It seems to me the State Department ought to do a little bargaining with the other countries to persuade them to use our money to buy American products. Why should they spend these funds somewhere else?

It is scarcely necessary to point out the evils which unemployment will bring to our land if it continues to mount. Every free nation falls if it does not conquer this menace.

We cannot let people here remain idle. If they are footing the bill this foreign-aid program is costing, they should participate in the benefits, and I mean full employment.

Therefore, I present the following resolution and ask the House for its immediate adoption:

Whereas unemployment throughout the Nation is fast becoming our No. 1 problem; and

Whereas Congress has already taken steps to create jobs for American workers by voting billions of dollars for foreign aid; and

Whereas Congress was given to understand that, in approving the Marshall plan, American industry and agriculture were to receive priority and consideration from the other nations participating by their placing gigantic orders with all phases of American business; and

Whereas it is obvious that American industry and agriculture are not receiving consideration from the foreign nations we are helping in sufficient amounts to lessen or eliminate unemployment in the United States; and

Whereas the foreign-aid program properly organized will be capable of giving jobs to all Americans now unwillingly unemployed: Therefore, be it

Resolved, That the Secretary of State is hereby requested to instruct all officials in charge of the administration of our foreign-aid programs to give priority to applications for American aid which guarantee total purchases of American manufactured and agricultural products.

#### COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, HAYS of Arkansas, WOLCOTT, GAMBLE, and TALLE.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### TARIFF REDUCTION ON IMPORTED CANVAS AND RUBBER FOOTWEAR CONSIDERED DANGEROUS

Mr. CROOK. Mr. Speaker, I am including in my remarks a letter from Mr. F. A. Miller, manager, industrial relations, United States Rubber Co., Mishawaka, Ind.

This Congress, in deliberating on the program pertinent to the reduction of tariffs on imports, especially the imports of canvas and rubber footwear made under slave labor in various European countries, should fully realize the disastrous repercussions that would crop from careless action. Tariff reduction on the imports of said commodities would have a demoralizing effect upon both rubber industry and the labor employment thereof. It certainly would be extremely harmful to the Ball Band Rubber Co. in Mishawaka, of my district, and I implore the Members of Congress to grasp the true significance of this grave question and act in a manner conducive to assuring adequate protection to our home industries and labor:

UNITED STATES RUBBER CO.,  
Mishawaka, Ind., June 2, 1950.

HON. THURMAN C. CROOK,  
South Bend, Ind.

DEAR SIR: We take this opportunity to bring to your attention what we feel is a very serious threat to one of America's oldest industries, namely, the manufacturing of canvas and rubber footwear. You are unquestionably familiar with the program which might result in the reduction of tariffs on imports, and we refer particularly to the imports of canvas and rubber footwear made by the European slave labor in Czechoslovakia and elsewhere.

Both rubber manufacturing industries as well as labor unions are violently protesting any reduction in the tariff rates or any possibility of a reduction in that it offers a very serious threat to those Americans who have earned their livelihood for many years in this industry.

Being a resident of South Bend, you are familiar with the Ball Band plant and the products that it manufactures—Red Ball footwear, which has been a leader in the trade for many years. As you well know, our product is a quality product and competes very favorably with all leading brands manufactured in the United States. Our postwar employment level has been approximately 6,000 in total, and we are by far the largest payer of wages in the community of Mishawaka.

It has been openly stated by Messrs. Dean Acheson and Paul Hoffman that a reduction in tariff rates is necessary in order to stimulate European imports, thus reviving European business. To this foolish position we can only say that throwing the American wage earner on unemployment-compensation benefits and the increasing of relief, Federal or otherwise, is a very un-American way of helping Europe.

As our Representative in Congress we urge and expect you to do all within your power to fight any possible reductions in tariff rates on canvas and rubber footwear. We are supported in this position by everyone in our entire factory personnel, and we invite you, if your schedule permits, to visit us in order to make yourself aware of the importance of our contentions.

We plan to write you further in connection with this very important matter and at your convenience we would appreciate a re-



ply from you concerning your position in this matter.

Yours very truly,

F. A. MILLER,  
Manager, Industrial Relations.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### CRITICISM OF THE ADMINISTRATION

Mr. HOFFMAN of Michigan. Mr. Speaker, a few days ago the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN] took occasion to address the House on the activities of the House committee investigating lobbying. I have, of course, no criticism of what they had to say. The text of their remarks seemed to be that anyone who disagreed with the administration or any of its policies was inclined to be unpatriotic. Of that the people of the country will judge. Later, and on Thursday, a few remarks will be made by me in answer.

I have no suggestions to make to the Members, but if anyone cares to read the CONGRESSIONAL RECORD of yesterday beginning at page 8259, he will find where what we might figuratively say the hide of certain individuals who have been criticizing others who criticize certain departments was nailed to the barn door. I would not suggest that Members read those remarks, but if you are curious, of course, you have that privilege. You will find them in the daily CONGRESSIONAL RECORD, pages 8259 to 8274 with special reference to page 8267.

#### ROYALTY-FREE LICENSES GRANTED TO THE GOVERNMENT

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, with House amendments thereto, insist upon the House amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BRYSON, WILLIS, and Boggs of Delaware.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### RENT CONTROL

Mr. O'HARA of Illinois. Mr. Speaker, next week we in the House will be passing upon the fate of many thousands of American families whose incomes will not permit them to meet the exorbitant

increase in residential rents which may be expected with the abrupt termination of rent control on June 30.

The housing shortage in Chicago is becoming so progressively serious that in the Chicago Tribune of yesterday, June 6, in the Voice of the People column appeared the following letter, which I think should be brought to the attention of the House, in order that none will be misled as to the seriousness of the situation in Chicago and what could be expected if rent control should end abruptly on June 30:

#### VETS VICTIMS OF RENT FREEZE

CHICAGO, June 1.—The renting situation grows worse every day. My daughter has been married over a year now to a veteran—living with us. They want their own apartment, have answered innumerable ads, agencies won't even take a name, long waiting lists.

Three- or four-room apartments are available at \$40 a room. How many vets can really afford these rentals, or answer ads and pay \$1,500 for old furniture, carpeting, and other junk. Our vets are surely treated fine. The 4F's and slackers are sitting pretty in the nice apartments. It's time something was done for these boys and their families, and soon.

Mrs. W.

#### SPECIAL ORDER GRANTED

Mr. WILLIAMS (at the request of Mr. RANKIN) was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

#### EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in two instances and include extraneous matter; in one instance notwithstanding the fact the extension will exceed two pages and is estimated by the Public Printer to cost \$451.

Mr. TAURIELLO asked and was given permission to extend his remarks and include a brochure of the Trinity Evangelical and Reform Church of Buffalo.

Mr. SADOWSKI (at the request of Mr. O'BRIEN of Michigan) was given permission to extend his remarks in five instances and include some extraneous matter.

Mr. PRICE asked and was given permission to extend his remarks and include an article from the May 31 issue of Pathfinder.

Mr. BRYSON asked and was given permission to extend his remarks in three instances.

Mr. HELLER asked and was given permission to extend his remarks in eight instances and to include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a letter from the White House regarding action taken by England and the United States concerning the armament situation in Israel and Arabia.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mr. BIEMILLER asked and was given permission to extend his remarks and include extraneous matter.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. FORD asked and was given permission to extend his remarks and include the text of a speech he made at Grand Rapids, Mich., on May 27.

Mr. VELDE asked and was given permission to extend his remarks and include an editorial.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks and include extraneous material.

Mr. GAVIN asked and was given permission to extend his remarks and include an editorial.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in two instances; to include in one an article by Mr. Frank C. Waldrop, and in the other a very informative article by Mr. Sokolsky regarding Japan and the magnificent work being done by Gen. Douglas MacArthur.

Mr. REES asked and was given permission to extend his remarks and include an address delivered by Hon. Alf M. Landon.

Mr. RICH asked and was given permission to extend his remarks in two instances and include editorials.

Mr. STEFAN asked and was given permission to extend his remarks and include an article.

Mr. ELLIOTT asked and was given permission to extend his remarks and include a statement he made today before the Committee for Reciprocity Information.

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in four instances and include certain newspaper and other material.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks at the conclusion of the consideration by the House of the first legislative matter today.

Mr. HARRIS asked and was given permission to extend his remarks and include a statement.

#### ARMY ORGANIZATION ACT OF 1950

Mr. COLMER. Mr. Speaker, I call up House Resolution 619 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the Committee resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and









## BORROWING POWER OF COMMODITY CREDIT CORPORATION

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JUNE 15, 1950.—Ordered to be printed

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Mr. SPENCE, from the committee of conference, submitted the  
following

### CONFERENCE REPORT

[To accompany H. R. 6567]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

*SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:*

*"SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts.*

*Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.*

*"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: Provided, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: And provided further, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.*

*"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.*

*"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.*

*"(e) Any decision of the President as to facts under this section shall be final.*

*"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any*



*article than that prescribed by the general agreement on tariffs, and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection."*

And the Senate agree to the same.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
BROOKS HAYS,  
JESSE P. WOLCOTT,  
RALPH A. GAMBLE,  
HENRY O. TALLE,

*Managers on the Part of the House.*

ALLEN J. ELLENDER,  
SCOTT W. LUCAS,  
CLYDE R. HOEY,  
SPESSARD L. HOLLAND,  
GEORGE D. AIKEN,  
EDWARD J. THYE,

*Managers on the Part of the Senate:*





ready to give my life and my all for this great State. I see its Lone Star flag proudly flying; I see them fight and die at the Alamo; I view the glory of San Jacinto; in my soul resounds the battle cry of "Remember the Alamo." They fought and died for Texas, that Texas would be free. And so, Honorable Gentlemen, Justices of this Court, I have come before you to fight for Texas, to fight for the treasured rights inherited from the past, and I will not stop fighting until this battle is won and the Texas tideland title has been cleared indisputably in favor of Texas.

Gentlemen, honorable Justices, I am not here to plead for favors or for mercy, but I am here as a free citizen, to demand justice.

And, gentlemen, do not forget that there is a higher court and higher jury than you that shall judge your acts; a court that shapes the destiny of nations. And there is another court from whose might the thrones of the mighty shall crumble, the court of aroused public sentiment of a free and liberty-loving people. That court will finally decide the case, through its Representatives in Congress.

But honorable Justices, gentlemen of this Court, I plead with you to uphold the integrity of this Court. Let your verdict be founded upon justice and upon the merit of the facts presented. Then, gentlemen, I have no fear of the outcome of the verdict.

I thank you.

M. H. STOUGAARD.

HUNTSVILLE, TEX.

#### TO CONFIRM AND ESTABLISH TITLES OF THE STATES TO LANDS BENEATH NAVIGABLE WATERS

Mr. SMITH of Virginia, from the Committee on Rules, submitted a privileged resolution (H. Res. 651), which was referred to the House Calendar and ordered printed.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in view of the report just made from the Rules Committee on H. R. 7873, I would like to announce to the House that I am assigning that also for next Tuesday. That is H. R. 7873. I ask unanimous consent that the Clerk may again report the title of the bill.

There being no objection, the Clerk again reported the title of the bill.

Mr. McCORMACK. Is that the resolution which the gentleman from Virginia [Mr. SMITH] just reported from the Rules Committee?

Mr. SMITH of Virginia. Mr. Speaker, I assure the House that I am not endeavoring to run over the tideland bills on you. I reported merely what the Clerk handed me.

Mr. McCORMACK. It is probably a good thing I called attention to it.

The SPEAKER. Without objection, the gentleman may withdraw the report.

There was no objection.

Mr. McCORMACK. I might state that the bill (H. R. 7375) authorizing the General Services Administration to construct a building for the Social Security Administration was reported out of the committee. I will ask the distinguished gentleman from Mississippi [Mr. WHITTINGTON], chairman of the Committee on

Rivers and Harbors, to state what the bill is.

Mr. WHITTINGTON. The bill authorizes the General Services Administration to construct a building for the Social Security Administration. A similar bill was reported in the Eightieth Congress but never passed. A rule on that bill has been reported by the Rules Committee and I understand they will submit it later today.

Mr. SABATH. Mr. Speaker, may I make this observation?

The action of the gentleman from Virginia came about as the result of a mistake of the Clerk. We have agreed to report the bill but subject to the approval, of course, of the gentleman from Ohio, and also my colleague, the gentleman from Illinois, who was not able to be present when the vote was taken. I understand they have agreed to it and that the rule is in order.

Mr. BROWN of Ohio. That is correct, Mr. Speaker.

Mr. McCORMACK. May I state, in conclusion, Mr. Speaker, that if a rule is reported out on the bill H. R. 7873, I will program it for next week—for Tuesday if it is reported out today—but, in any event, I will confer with the leadership on the Republican side.

#### CONSTRUCTION OF BUILDING FOR THE BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following privileged resolution (H. Res. 651, Rept. No. 2246), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7873) to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### EXTENSION OF HOUSING ACT OF 1947

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, with a House amendment thereto, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, HAYS of Arkansas, WOLCOTT, GAMBLE, and KUNKEL.

#### INCREASING BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House on the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation may have until midnight tonight to file a conference report and statement.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The conference report and statement follow:

#### CONFERENCE REPORT (H. REPT. NO. 2269)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:

"SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being under-



taken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision of the President as to facts under this section shall be final.

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection."

And the Senate agree to the same.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
BROOKS HAYS,  
JESSE P. WOLCOTT,  
RALPH A. GAMBLE,  
HENRY O. TALLE,

*Managers on the Part of the House.*

ALLEN J. ELLENDER,  
SCOTT W. LUCAS,  
CLYDE R. HOEY,  
SPESSARD L. HOLLAND,  
GEORGE D. AIKEN,  
EDWARD J. THYE,

*Managers on the Part of the Senate.*

#### STATEMENT

The Managers on the part of the House in the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit

Corporation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment proposed a new section 3 to the House bill which would amend section 22 of the Agricultural Adjustment Act in several respects. The committee of conference recommended that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment.

The Senate amendment made no change in the House bill with respect to increasing the borrowing power of the Commodity Credit Corporation from \$4,750,000,000 to \$6,750,000,000. The Senate amendment proposed several changes to section 22 of the Agricultural Adjustment Act. There was no similar provision in the House bill. The conference amendment would amend section 22 of the Agricultural Adjustment Act in two respects, and the differences between the existing provisions of such section 22 and the conference amendment are indicated below.

The first change relates to subsection (a) of section 22 of the Agricultural Adjustment Act which provides that whenever the President has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under the Agricultural Adjustment Act, as amended, or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof, with respect to which any such program or operation is being undertaken, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under section 22 to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

In lieu of the existing provisions of subsection (a) of section 22 which provide that the President shall cause an immediate investigation to be made after he has reason to believe that any article or articles are being or practically certain to be imported which will affect the above mentioned programs, the conference amendment places upon the Secretary of Agriculture the responsibility of notifying the President whenever the Secretary of Agriculture believes or has reason to believe that any article or articles are being or practically certain to be imported into the country so as to render, or tend to render, ineffective or materially interfere with the above mentioned programs. The conference amendment further provides that if the President agrees that there is reason for such belief on the part of the Secretary of Agriculture the President shall cause an immediate investigation to be made by the United States Tariff Commission which under existing law is authorized to make such investigation.

The second change relates to subsection (f) of section 22 which now provides that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party. In lieu of this provision the conference

amendment would provide that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of such section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection. The effect of the conference amendment with respect to such subsection (f) is to make sure that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
BROOKS HAYS,  
JESSE P. WOLCOTT,  
RALPH A. GAMBLE,  
HENRY O. TALLE,

*Managers on the Part of the House.*

#### COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file reports on the bill H. R. 8737, to extend import controls on fats and oils; H. R. 8567, to extend authority for Texas City tin and smelter operations; and H. R. 8597, to permit national banks to give security for public funds.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### NATURALIZATION PRIVILEGES EXTENDED TO CERTAIN IMMIGRANTS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. WALTER, GOSSETT, and GRAHAM.

#### AMENDMENT OF SECTION 3 OF THE LUCAS ACT

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3436) to amend section 3 of the Lucas Act with respect to redefinition of request for relief, with a Senate amendment thereto, and concur in the Senate amendment.









The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### JOSEPHINE STEVENS GOERING

The Clerk called the bill (H. R. 6964) authorizing the Secretary of the Interior to issue a patent in fee to Josephine Stevens Goering.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is authorized and directed to issue to Josephine Stevens Goering a patent in fee to the following-described lands, known as allotment 1264 on the Crow Indian Reservation, Mont.: the south half of the south half of the north half and the south half of section 29, the southwest quarter of section 28, and the north half of the north half of the northwest quarter of section 32, township 9 south, range 33 east, Montana principal meridian, containing 600 acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### SALE OF CERTAIN LAND ON THE CHENA RIVER TO THE TANANA VALLEY SPORTSMEN'S ASSOCIATION, FAIRBANKS, ALASKA

The Clerk called the bill (H. R. 7753) to authorize the Secretary of the Interior to sell certain land on the Chena River to the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That upon the filing of an application within 1 year from the date of this act and the payment of the purchase price by the Tanana Valley Sportsmen's Association, of Fairbanks, Alaska, a nonprofit corporation organized under the laws of the Territory of Alaska, the Secretary of the Interior is authorized to sell and convey to the said corporation a tract of land described as the north half lot 10, section 7, township 1 south, range 1 west, Fairbanks meridian, Alaska, containing approximately twenty-two and twelve one-hundredths acres: *Provided*, That the purchase price for the land shall be the reasonable value thereof without improvements, as determined by the Secretary of the Interior, but not less than \$1.25 per acre.

SEC. 2. The patent issued under this act shall contain a reservation to the United States of the mineral deposits in the land, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior.

With the following committee amendments:

Page 1, line 9: Strike all after the word "as" through the word "acres" on page 2, line 2, and insert in lieu thereof the following: "that portion of lot 10, section 7, township 1 south, range 1 west, Fairbanks meridian, Alaska, included in the north half southwest quarter southeast quarter, and the south half northwest quarter southeast quarter of section 7, containing twenty-four and twenty-five one-hundredths acres."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CONVEYANCE OF CERTAIN LANDS IN THE STATE OF MINNESOTA

The Clerk called the bill (S. 2397) authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to Signa M. Lodoen and Nels R. Lodoen, all right, title, and interest of the United States in and to the following-described tract of land in Becker County, Minn., which was mistakenly included in a conveyance to the United States executed on January 12, 1938: Eighty-six one-hundredths acre in government lot 3 located in the northwest quarter of the southwest quarter of section 25, township 142 north, range 39 west of the fifth principal meridian in Becker County, Minn., and forty-eight one-hundredths acre in the northeast quarter of the southeast quarter of section 26, township and range aforesaid, described as follows:

Beginning at an iron pipe at a point which bears south twenty-six minutes east two and five-tenths chains from the quarter corner common to said sections 25 and 26; thence running north seventy-six degrees thirty-four minutes east three hundred and nine feet; thence north thirteen degrees twenty-eight minutes west ninety-four and two-tenths feet to a point on the north line of said northwest quarter of the southwest quarter of section 25; thence south eighty-nine degrees forty-three minutes west two hundred and eighty-one feet to the northwest corner of said northwest one-quarter southwest one-quarter; thence continuing south eighty-nine degrees fifty-two minutes west one hundred and twenty-three feet along the north line of the northeast quarter of the southeast quarter of afore-mentioned section 26; thence running south four degrees nineteen minutes west one hundred eighty-two and five-tenths feet; thence north eighty-one degrees thirty-four minutes east one hundred forty and three-tenths feet to the point of beginning and there terminating, together with the right of ingress and egress to the above-described premises over and across a strip of land one rod in width and whose center line is located as follows, to wit:

Beginning at a point on the westerly line of the above-described tract at a point forty-four and four-tenths feet from the northwest corner thereof, thence running north eighty-two degrees eleven minutes west two hundred ninety-one and five-tenths feet to intersect the north line of the afore-mentioned northeast quarter of the southeast quarter of section 26: *Provided*, That in said quitclaim deed it shall be expressed that there is reserved to the United States from the lands so quitclaimed any right-of-way thereon necessary for the management of adjoining property owned by the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### OIL AND GAS LEASE IN PARK COUNTY, WYO.

The Clerk called the bill (H. R. 7916) to authorize and direct the Secretary of the Interior to execute an oil and gas lease on a certain tract of land in Park County, Wyo.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Interior be, and he is hereby, authorized, and directed to issue an oil and gas lease,

as herein provided, covering lot 1 and the southeast quarter of the northeast quarter of section 23, township 58 north, range 100 west, sixth principal meridian, Wyoming, comprising fifty-nine and thirty-nine one-hundredths acres, more or less. The lease shall be issued to the operator who has been in continuous possession of the land described since prior to February 25, 1920, under an oil and gas lease issued by all the persons who located the land as an oil placer-mining claim on October 15, 1915, and shall be held by said operator for itself and the said locators and their successors, as their interests may appear.

SEC. 2. The lease shall be dated May 1, 1946, shall be in the form provided by section 17 of the act of February 25, 1920, as amended by the act of August 8, 1946 (60 Stat. 951 and 43 CFR, 1946, Supp., 192.54), and shall prescribe for competitive leases issued under section 17 of said act, as amended, in amount or value of oil and gas removed or sold from nonunitized horizons or zones or removed or sold from or allocated to the lease under the provisions of the Elk Basin Unit Agreement, approved by the Secretary of the Interior on May 29, 1946.

SEC. 3. The lease shall not be issued unless and until, within 6 months from the effective date of this act—

(1) an application for the lease is filed by the operator to whom the lease is to be issued;

(2) the applicant pays to the United States as royalty an amount at the rates provided in the lease to be issued on all oil and gas produced and saved prior to May 1, 1946, from the land to be leased;

(3) the applicant, together with all persons or their successors in interest having a contract or lease with the applicant under which they claim or hold an interest in lots 1 and 2 and the south half of the northeast quarter of section 23, township 58 north, range 100 west, sixth principal meridian, shall relinquish and quitclaim to the United States all their interests and claims of whatever character in the land described, and shall agree that the interests to be held by them or insuring to their benefit under the lease authorized by this act shall be held by them in full satisfaction for every interest or claim which they may have or assert with respect to the land described;

(4) the lease to be issued under this act shall be fully committed to the Elk Basin Unit Agreement, approved on May 29, 1946, such commitment to be effective as of May 1, 1946; and

(5) the applicant agrees and binds itself to reimburse the unit operator, without interest, for the share of investment costs and operating expenses incurred from and after May 1, 1946, and allocated under the unit agreement to the land to be leased.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ADMISSION OF CERTAIN ALIEN SHEEPHERDERS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1165) to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That for a period of 1 year after the effective date of this act, in any



case in which the Attorney General, under the authority of the fourth proviso to section 3 of the Immigration Act of 1917 (U. S. C., title 8, sec. 136), grants permission for the importation of a skilled sheepherder into the United States and the investigation of the application for such importation discloses that—

(1) the employment offered such skilled sheepherder is permanent, and

(2) no immigration quota number of the country of which such alien sheepherder is a national is then available,

a special immigration visa may be issued to such alien sheepherder, as provided in this act: *Provided*, That such alien sheepherder is otherwise admissible into the United States for permanent residence.

SEC. 2. The Attorney General shall certify to the Secretary of State the name and address of every skilled sheepherder for which an application for importation under the fourth proviso to section 3 of the Immigration Act of 1917 has been approved. If a quota number is not then available for such alien sheepherder, the proper consular officer may issue a special quota immigration visa to such alien sheepherder. Upon the issuance of such visa the proper quota-control officer shall deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That not more than 50 percent of any quota shall be deducted under the provisions of this act in any given fiscal year.

SEC. 3. (a) There shall not be issued more than 250 special quota immigration visas under this act.

(b) Nothing contained in this act shall be construed as increasing the immigration quota of any country or of altering the requirements for admission of aliens into the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. LANE and Mr. VELDE asked and were given permission to extend their remarks, each in three instances, and include extraneous matters.

Mr. DONDERO asked and was given permission to extend his remarks and include a newspaper item.

Mr. HILL asked and was given permission to extend his remarks.

Mr. BLACKNEY asked and was given permission to extend his remarks and include an address by the Honorable Edward M. Sharpe.

Mr. FUGATE asked and was given permission to extend his remarks and include extraneous matter.

Mr. GOSSETT asked and was given permission to extend his remarks and include a short resolution.

Mr. NORRELL asked and was given permission to extend his remarks and include an article from the Tax Review published in May 1950, by the Tax Foundation of New York.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

Mr. WILSON of Oklahoma asked and was given permission to extend his remarks and include an article.

Mr. CROOK asked and was given permission to extend his remarks and include an article on the subject *The Age That Disturbs the Laborer's Mind*.

Mr. CRAWFORD asked and was given permission to extend his remarks in two

separate instances, in one to include a brief press release on Puerto Rican labor and in the other brief newspaper statements.

Mr. HARVEY asked and was given permission to extend his remarks and include an editorial.

Mr. VURSELL asked and was given permission to extend his remarks and include the testimony he gave this morning before panel B of the Department of Commerce in opposition to the further reduction of tariffs on lead and lead products.

Mr. GOODWIN asked and was given permission to extend his remarks and include an editorial.

Mr. CLEVENGER asked and was given permission to extend his remarks and include an editorial.

Mr. HERTER asked and was given permission to extend his remarks and include an editorial.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks and include an article from the New York Daily News of June 15.

Mr. KLEIN (at the request of Mr. PRIEST) was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mr. BLEMILLER asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include extraneous matter.

Mr. MCCORMACK asked and was given permission to extend his remarks and include a splendid address recently made by Father Harold J. Martin, at Massena, N. Y.

Mr. FURCOLO (at the request of Mr. MCCORMACK) was given permission to extend his remarks.

#### BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 15, 1950.)

Mr. SPENCE. Mr. Speaker, this is practically the bill that passed the House. There is one amendment to section 22 which merely provides that the tariff policies may be carried out notwithstanding any future international agreements.

Mr. Speaker, I yield at this time 5 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, it is natural, I presume, that the members of the House Committee on Agriculture should be somewhat concerned about this conference report. The House passed a bill

increasing the borrowing authority of the Commodity Credit Corporation by \$2,000,000,000 and that was substantially all the bill contained.

In the Senate there was added what is called the Magnuson amendment, which deals with section 22 of the Agricultural Adjustment Act and that was the only question in conference. The matter in the conference report was not dealt with at all in the House bill.

This is a matter of very deep interest to every member of the House Committee on Agriculture. Section 22 seeks to give some protection to our farm programs by providing that if imports coming into this country impair or interfere with those programs or increase the cost of the price-support program, limitations on imports can be made by the President.

The language agreed upon in conference is a complete rewriting of section 22 as contained in the Agricultural Adjustment Act. I realize that there is not much that can be done under the circumstances, except I was requested by members of the committee to propound one question of the distinguished chairman of the Committee on Banking and Currency.

In what is commonly referred to as GATT, with which the chairman, I know, is familiar, that is, General Agreement on Tariffs and Trade, it is expressly provided that the provisions of law as they existed on November 15, 1947, would be respected; that is, as section 22 existed, and that all agreements would respect section 22 as it then existed. I should like to ask the distinguished Chairman this one question. This provision now contained in subsection (f) of the rewrite of section 22, reads as follows:

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the General Agreement on Tariffs and Trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.

Is it the intention of the conferees that this provision is not intended to limit the authority of Congress to limit the use of section 22 regulations to any greater extent than existed at the time the General Agreement on Tariffs and Trade was entered into?

Mr. SPENCE. It only refers to future agreements, of course. We could not enter into any agreements in contravention of any treaty or Executive order. The Constitution of the United States says that treaties are the supreme law of the land, and I do not think anybody would want the Government to enter into an agreement in contravention of a treaty, because the national honor and good faith would be at stake. It pro-



vides, however, that no agreement shall be made in the future which would interfere with the operation of this section. We do not say "existing law." It merely says in the future they shall not enter into contracts that will interfere with the carrying out of this policy. It has no retroactive effect and it has no effect on existing treaties.

Mr. PACE. Does the gentleman mean to say that it is the intent of the conferees that future international treaties and agreements shall not be such as to prevent the operation of section 22?

Mr. SPENCE. That is true. They shall not enter into those agreements. Of course, if they enter into an agreement, whatever that agreement is, national honor and good faith compels us to uphold it, but in the future we shall not enter into any agreement that will interfere with the policy of this section.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Washington.

Mr. HOLMES. Does not this section, as changed in this conference report, change the text of old section 22 of the Agricultural Adjustment Act?

Mr. PACE. It changes the text somewhat, but under the assurance given by the chairman of the House conferees I shall not be disturbed; that it is the intention of the conferees that they shall not enter into any trade agreement hereafter that will violate the intention and the provisions of section 22 as rewritten in this conference report.

Mr. ANDERSON of California. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from California because the gentleman from California and the gentleman from Washington are both very much concerned with this question.

Mr. ANDERSON of California. Indeed we are, and I cannot see why the gentleman from Georgia is so pleased with the assurance given by the chairman.

Mr. PACE. Because he said that it provides that no future treaties or international agreements shall be entered into which violate the terms of section 22 as redrafted in this report; nor will the adoption of this conference report have any retroactive effect in changing the terms of the general agreement on tariffs and trade, which recognized the provisions of section 22 as it existed at that time.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Speaker, this amendment is very vital to the specialty crops particularly those raised in California. I personally feel that we have gone a long way afield in our neglect to protect American agriculture and American laboring men by the repeal of the peril point in our tariff agreements. I believe this is just another step toward giving further control to the Administration in handling the situation as they see fit. I believe Congress should take some action to see that we protect American labor and American agriculture.

I know you are all very well apprised of the fact that labor organizations throughout this country are now deeply concerned with our repeal last year of the peril point and the escape clause in our trade agreements. As I understand, we shipped into this country 2 years ago about \$1,600,000,000 worth of competitive agricultural crops. This country is now supporting the agricultural economy of the world. I believe it is time that we should respond to the demands of the people who are interested in protecting our economy and not give and give. We should try to protect our own American agriculture.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Nebraska.

Mr. CURTIS. The amendment as it now stands applies only to future agreements and will not be of very much protection, because we have agreements already with so many countries, where the damage is now being done. The Magnuson amendment would have been much better. The gentleman from Kentucky talks about honor, and that the country has to stand by these treaties. They are not treaties. They were not ratified by the Senate. They are agreements only. Future Congresses should not be bound. We should have a perfect right now to legislate on this for the interests of the American agricultural producers.

Mr. SCUDDER. The gentleman is right. We should adhere to the Magnuson amendment.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. SCUDDER. I yield to the gentleman from Illinois.

Mr. VURSELL. If these are treaties, is it not a fact that escape clauses were written into the reciprocal-trade treaties which would give the President the power to renegotiate? Is not that a fact?

Mr. SPENCE. Yes, under certain conditions.

What does the Magnuson amendment do? The Magnuson amendment places the responsibility in the Secretary of Agriculture. He not only makes the complaint, he tries the case and he renders the verdict. You talk about the administration wanting more power. Where could the administration have more power than that?

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

The Secretary of Agriculture does not want the power arbitrarily to make the complaint, try the case, render the verdict, and pronounce the judgment. He sees the impropriety of it. So under this bill the Secretary of Agriculture has the authority to express his opinion, after hearing evidence, as to what action should be taken. He refers it to the President. The President puts in operation a bipartisan agency of the Government, the Federal Tariff Commission.

You talk about the administration grasping for power. If the administra-

tion wanted power, a good way to obtain that power would be to give this whole authority to the Secretary of Agriculture. The Secretary of Agriculture does not want it and the President does not want him to have it.

One of the perils of this bill, if you had put the Magnuson amendment on it, is that I am sure it would have been vetoed.

Wherein is there any peril to the agricultural interests of the country when you refer these tariff matters to a bipartisan board? By doing that you take them out of politics.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CASE of South Dakota. What difference is it whether the power is vested in the Secretary of Agriculture or in the President—the administration still has the power, does it not?

Mr. SPENCE. The administration has no power to control this bipartisan Commission and justly so.

Mr. PHILLIPS of California. It is a discretionary power.

Mr. SPENCE. It is almost a judicial question and they arrive at a conclusion after having a hearing. The proper organization to do this is the agency of Government which has had the experience and the agency of Government which is created for this very purpose; that is the Tariff Commission.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HOLMES. Is it a statement of fact that the State Department had a great deal to do with the writing of section 22 as it now stands in the bill, and if that is the fact, why should not the Secretary of Agriculture have something to say about it?

Mr. SPENCE. The Secretary of Agriculture did not want it. The Secretary of Agriculture saw the impropriety of it. A man cannot be a prosecutor and judge at the same time. The Department of State agreed with the Department of Agriculture that the Department of Agriculture ought not to have this power and that it ought to be administered as it has been. But they give the power to the Secretary after a hearing to make the recommendation to the President. The Secretary of Agriculture could not set in motion the Federal Tariff Commission. The President had to set that in motion. So, in conformity with orderly procedure the Secretary of Agriculture makes the complaint to the President, and the President refers it to the Tariff Commission for its judgment. What could be more orderly procedure than that?

What kind of chaotic procedure would it be to give all of this power to the Secretary of Agriculture, to make a complaint, to hear the evidence and then to render a verdict.

Mr. HOLMES. It is true, is it not, that the State Department did have a great deal to do with the drafting of the language here?

Mr. SPENCE. I think the State Department and the Department of Agriculture got together on this. There was no contrariety of opinion. They agreed on it. The State Department did not



think the Department of Agriculture ought to have this power, and the Department of Agriculture did not want it. The President, I know, did not want them to have it, because the President is charged with the duty of seeing that there is orderly procedures of government. This, as far as I know, met with the approval of all of the departments of Government. I do not see why it would not meet with the approval of the Department of Agriculture.

Mr. HOLMES. It is practically the reverse of the Magnuson-Morse amendment, is it not?

Mr. SPENCE. Why worry about that amendment? It was never in our bill. We brought the bill back here substantially as it was passed by the House.

The Magnuson-Morse amendment never was in the House bill. It was in the Senate bill. Nobody was very insistent that it stay in the Senate bill after conference.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HORAN. The Magnuson-Morse amendment, of course, gave priority of responsibility to the Secretary of Agriculture with regard to the imports of agricultural commodities where we might have a surplus already in this country. We are passing on a bill today to add \$2,000,000,000 additional to buy up surplus commodities in this country. Now, the Magnuson-Morse amendment gave a priority of responsibility to the one man in the United States, who, whether we like it or not, we have to look to, who ought to have the responsibility.

Does not the action of your committee make the Department of State more dominant than the one man in the United States who should have a clear responsibility here? Will the gentleman answer that question?

Mr. SPENCE. My answer to that is a categorical no. It gives the Secretary of Agriculture authority and the duty to make a complaint. He makes a complaint to the President, the only person in authority that he could make a complaint to, and he sets in motion the Tariff Commission.

Mr. HORAN. I would like the gentleman to explain the language of the reconstructed paragraph (f) as the committee has recomposed it, because I have read it at least 20 times and I cannot understand it. I doubt very much if anyone on the floor understands it.

Mr. BROWN of Georgia. As I understand it, the present law, section 22, which we did not consider here, was amended in the Senate by what is known as the Magnuson amendment. These programs were initiated heretofore by the President. Under this conference report, under the agreement amongst the conferees, the Department of Agriculture initiates the program, and he makes recommendation to the President of the United States. The President then refers this report to the Tariff Commission. I think the Department of Agriculture and the Tariff Commission certainly ought to be consulted. That is the status of this section now.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. CASE of South Dakota. With reference to the statement made by the gentleman from Georgia [Mr. BROWN] whether or not reference to the Tariff Commission is mandatory on the President, or if it means if the President agrees with the Secretary of Agriculture that there is reason for such belief, then he refers it?

Mr. SPENCE. I do not think we pass acts that are mandatory on the President. He has the right to exercise his judgment. I think in every instance the President would refer it to the Tariff Commission if he found it was based upon fact.

Mr. PHILLIPS of California. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PHILLIPS of California. I wonder if the conference committee realized that they were doing two things. I have the same difficulty which other gentlemen have in understanding what the words mean in the amendment, but apparently they mean that the provision in the original section 22, which agricultural groups did not like because of its effect upon marketing agreements, has now been ratified and confirmed by the new amendment to the bill that is now before us. Did the conference committee in doing that realize that they were in effect setting aside the whole theory of marketing agreements as we have worked upon it in the United States?

Mr. SPENCE. No, we did not.

Mr. PHILLIPS of California. I hope the gentleman realizes it now.

Mr. SPENCE. The gentleman is referring to an amendment that was proposed in the Senate. It was not considered in the Senate. We had ample opportunity to consider the bill in the House. It was passed by an overwhelming vote in the House. That amendment was not considered in the House. The managers on the part of the Senate were not insistent upon it in conference. Do you expect the managers on the part of the House would press for an opportunity to adopt an amendment which the Senate conferees did not insist upon?

The SPEAKER pro tempore. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, with this new section 22 in the bill, placed there by the conference report, the President must veto this bill.

It is an inescapable conclusion that the United States Congress will be returning to agricultural isolationism in this country because this provision takes completely out of the reciprocal trade program everything having to do with agriculture, and any commodity or any item processed from such an agricultural commodity. This provision tears the biggest hole in the reciprocal trade program that has ever been torn in it by any action of Congress since its inception.

Let me warn this Congress that once you return to the Smoot-Hawley tariff

principles in any large segment of our public economy, you are going to tear down the economic fabric of this country, as well as industry. Let me warn the Congressmen if you think you can put in the power of one man, the President of the United States, the right to set quantitative limitations, to set the tariff, and to set how much international trade shall interfere or compete with our domestic production, with a power and discretion that can be changed at any time—and then not have other nations put into the power of a dictator the same powers in retaliation, you are mistaken. Such action moves against private enterprise in international trade, and invites Government manipulations and Government trading. Under such a broad section, all talk of private enterprise in international trade and the operation of economic principles is complete nonsense. Peculiarly, this proposal is backed by some who declaim most loudly against State interference, arbitrary powers in the Executive, and so forth, on the domestic scene. This is economic absolutism of the worst type, and this is agriculture through a certain bloc running wild.

If the President does not veto this bill, he should immediately withdraw or have the administration withdraw the sponsorship of the bill to approve the ITO charter prepared at the International Conference on Trade and Unemployment that was held at Habana. This was the Habana conference to reduce the limitations on goods in international commerce, to cut down existing arbitrary trade barriers, and to take the first steps to do away with state trade. Its purpose was to take away from the hands of one man in any government the power to decide arbitrarily what part any nation's economy should play in international commerce and to write a system of basic rules mutually agreed upon for the encouragement and facilitating of private enterprise in international commerce. The purpose of the ITO charter was specifically to get away from quantitative restrictions; yet here is this committee coming in, in direct violation of the administration's policy, and in direct violation of the bipartisan policy called the reciprocal trade agreements program that we have voted and followed and which has built up international good will over the past decade and a half. Now, may I disagree with the chairman of the committee and say that he is completely in error when he states that this new section does not affect any current commodity or agreement. Under these reciprocal-trade agreements there are certain items or commodities that you can change and are therefore under this section as the last sentence of this particular provision section 22 states:

Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.

And that refers exactly to the current agreements because it specifically links the operation of this subsection to any



commodities covered by escape provisions of the general agreements. This is a concealed attempt to put over on the country a change from a bipartisan policy that has worked well; namely, the reciprocal trade agreements policy. This action on this bill will not only cost the taxpayers and consumers two billion more dollars, but will effectively kill the bipartisan reciprocal trade agreements policy as to agricultural products, and will make the administration's support of the principles of the ITO charter a meaningless sham.

(Mr. SCUDDER asked and was given permission to extend his remarks.)

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON of California. Mr. Speaker, I wish I could share the complacency of my good friend from Georgia over the statement made by the chairman of the Committee on Banking and Currency in connection with the revised section 22, but it looks to me as though under this section that has been written into the conference report what we are actually doing is turning the agricultural program, at least insofar as perishable commodities are concerned, over to the State Department to administer, lock, stock, and barrel.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of California. I yield.

Mr. PACE. Not being too sure what the section was intended to mean, I was gratified to have the assurance of the chairman that under this section no trade agreements can hereafter be entered into which will violate section 22.

Mr. ANDERSON of California. I sincerely trust that the gentleman from Georgia is right. I am going to get some additional information, I think, from the man who knows more about section 22 than anyone in the House; I am going to ask the gentleman from Michigan, the distinguished ranking minority member of the Committee on Banking and Currency to explain just exactly what paragraph (f) means and what it does.

Mr. WOLCOTT. I express my appreciation to the gentleman from California for the opportunity to do so. I think we need some background, however, thoroughly to understand subsection (f). We must take into consideration that under reciprocal-trade agreements there is the most-favored-nation clause. Under existing law and under the proposal the decision of the President as to the facts under this section shall be final. Under existing law section 22 provides:

(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

There is always the thought behind that that the program of the President wherein he increases duties to protect an agricultural program domestically may have that offset and completely nullified by an international agreement to which this country is a party. I do not use the term "treaty" because somewhere along the line somebody has drawn a line of demarcation between a treaty

and a trade agreement and it has not yet been explained to me where the difference between a treaty and a trade agreement lies.

The SPEAKER. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Speaker, I yield 9 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, as I said, the existing law, section 22 (f), provides that no proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

I just explained that under my understanding of that the program of the President by which he increases the tariffs under section 22 to protect a domestic program might be completely nullified by any new international agreement in respect to tariffs.

Section (f) as it is written in the conference report replaces section (f) in existing law and attempts to protect the program of the President in respect to the increase of tariffs for the protection of domestic programs against nullification by treaties and agreements in the future. Although it starts off by stating that—

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party—

That language being to protect the present international agreements against nullification by any action which the President might take under section 22, it nevertheless goes on to state—

but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable.

When I signed the conference report I had definitely in mind that that language was an attempt to prevent the possible nullification of any program under section 22 by any new international agreement, and I think that we may rest assured that if section 22 means anything and if subsection (f) means anything, it means simply, first, that present international agreements are respected and cannot be nullified or amended or modified through the program authorized in section 22 and that hereafter the section 22 program as proclaimed by the President is protected against nullification, modification, or amendment by any international agreement.

Let me just say this in general. Section 22 has never been used, and so long as it is permissive on the part of the President or the Secretary of Agriculture to use the authority contained in section 22, it is not going to be used in contravention of any international agreement and, I might say, it is not going to be used in the future any more than in the past. I might say also that where the

existing law provides that the President shall activate this program, the proposed changes in the conference report in effect make no difference whatsoever in that particular.

We recognize the President as the head of the executive establishment, and when we use the word "President" in these laws, we do not necessarily mean the President as an individual. What we are referring to is the same as we refer here to Mr. Speaker, when we mean all of the ladies and gentlemen of the House; we refer to the ladies and gentlemen of the House when we address our remarks to the Speaker. So, when we refer to the President we refer to the executive establishment over which he has control. So, it does not make any difference in this law whether it says Secretary of Agriculture or the President, because the President has the responsibility for the program, as he should have. The reason why, I understand, the conferees substituted "Secretary of Agriculture" for the word "President" was that the Secretary of Agriculture might be expected to be watching this more closely than he would otherwise, and that he would activate the program, and then we go on to say that after this program is activated, that the President shall, if he finds the facts to be basically true, increase the tariffs not to exceed 50 percent. So, I cannot see where the President is compelled to do anything under this proposed amendment any more than he was compelled to do anything under the existing section 22. Where the law says that he shall increase the tariffs not to exceed 50 percent, of course, he is in full compliance with the law to increase them one one-hundredth of 1 percent. Now, after he has announced and proclaimed this program, there is nothing to prevent the President from amending or modifying the program, so it becomes more or less an innocuous thing because if the United States wants to enter into an agreement in contravention of an existing section 22 program, then in anticipation of that all the President has to do is to amend the section 22 program to conform with what he wants to do in the international agreement.

So the basic difference, as I see it, between existing law and this amendment lies in the protection which subsection (f) at least attempts to give and, according to my understanding, does give to existing programs. It is at least a declaration of policy on the part of Congress that we want the domestic agricultural programs respected and not nullified by subsequent international agreements.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The gentleman has omitted to read or comment on the bottom sentence on page 2.

Mr. WOLCOTT. I understand that.

Mr. FULTON. I believe that that does change the law as regards the current agreements.

Mr. WOLCOTT. If the gentleman will read that in connection with the



most-favored-nation clause in the reciprocal trade agreements, he will readily understand why that is in there, because under the reciprocal trade agreements the most-favored-nation clause causes these to apply to all countries that want its benefits.

Mr. FULTON. Does the State Department approve this section specifically? Can that be answered by the committee?

Mr. WOLCOTT. Yes. I can say this, that the State Department had a representative in the conference and the Department of Agriculture had a representative in the conference. They came down and worked with the conferees. I had little or nothing to do with it. I was more concerned with trying to get some mandatory provisions in here than perhaps I should have been, knowing that the program had never been used. Nevertheless, I think we were left with the impression from suggestions made by the State Department and the representative from the Department of Agriculture, which are embodied in the conference report, that these were compromise proposals and would assure that the program would be satisfactory to the President. Because it seemed to be satisfactory and I believe was satisfactory to these representatives of the State Department and the Department of Agriculture, we may assume that it is in keeping with the President's program and will be approved by him. Otherwise, of course, then we are confronted with the very paradoxical situation of the executive department coming down and recommending one thing and the President vetoing it.

Mr. BARRETT of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BARRETT of Wyoming. I was concerned with the last sentence of subsection (f) for an entirely different reason than the gentleman from Pennsylvania. It seems to me the last sentence negatives the provision you have there to protect against decreases in future trade agreements.

Mr. WOLCOTT. I am afraid the gentleman will have to ask somebody else for a specific interpretation of that, except that my understanding of it is that where you enter into a general tariff agreement with an escape clause in respect to some particular country, then the escape provisions, as it says here, of such general agreement shall not be deemed a violation of this subsection as provided for that particular country.

I think there is grave doubt as to whether they perhaps cannot be used to nullify the program, which is the weak point of the whole situation. I think there is some doubt about it. But I want to reiterate, if there is any meat to our debates here, and if the departments use the debates in determining legislative policy and intent, then let us stress the fact that when we accept this conference report we accept it with the understanding that no international agreement shall be entered into, notwithstanding any ambiguous language in this report, which will nullify the program which is laid out by the President.

That is my understanding of it. I do not think I would have signed the conference report, had I understood otherwise.

Mr. BARRETT of Wyoming. Will the gentleman from Michigan ask the gentleman from Kentucky if that is his understanding also?

Mr. WOLCOTT. I am asked to ask the gentleman from Kentucky if it is his understanding that, generally speaking, notwithstanding any ambiguous language in the act, it is the intent of the Congress, if they adopt this conference report, to prevent the nullification of any program set up under section 22 by any future international agreements.

Mr. SPENCE. Within the framework of the act.

Mr. WOLCOTT. That is right.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. RICH. If this conference report goes through, and we borrow \$2,000,000,000 more to buy commodities, will the commodities be given to these foreign countries by the Secretary of Agriculture?

Mr. SPENCE. That is going a little further than I care to go to answer the question. I do not think it is germane here.

Mr. RICH. Is it not a fact that when you get additional surplus commodities in this country and do not know what to do with them, and pay the farmers for these commodities, instead of letting the price go down to our own people, the Secretary of Agriculture will distribute them to foreign countries, thus depriving the people in this country of low commodity prices?

Mr. SPENCE. I yielded to the gentleman to ask a question and he has made a political speech.

Mr. RICH. I would like 5 minutes to make a political speech.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. We seem to face this interesting situation, Mr. Speaker; there appear to be marked differences of opinion on the floor as to just what this new language means. Also, it seems obvious from the statement of the gentleman from Pennsylvania [Mr. FULTON], the gentlemen from Washington [Mr. HORAN and Mr. HOLMES] that this is not satisfactory to anyone. It appears to be unsatisfactory to those who are supporters of the reciprocal trade agreements and it is not acceptable to those who have tried for some time to keep section 22 provisions from invading the Marketing Act theory of agricultural legislation.

We should support what I understand to be the intent of the other body and return this respectfully to the conference committee for further study to see if that committee can come to an agreement as to what the amendment means and what should be done about it.

Mr. Speaker, it would be better not to adopt this amendment at all, but to leave the section 22 provisions as they are. They are clearer and better than

this wording. We should not adopt this conference report as it is now worded.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. JOHNSON. Is it the opinion of the gentleman from California that the Magnuson amendment does clearly prevent any inroads by the reciprocal trade agreements into section 22 of the AAA Act?

Mr. PHILLIPS of California. That was my understanding of the intent of the Magnuson amendment. But the Magnuson amendment has been scrapped in favor of what I understand to be wording presented to the subcommittee of the other body, refused by it, and then brought to the conference and adopted by the conference committee. So that we now have this very difficult situation as to just whose wording it is and what it is intended to say and do.

Mr. JOHNSON. The other body adopted the Magnuson amendment.

Mr. PHILLIPS of California. That is correct.

Mr. JOHNSON. Therefore, they might revamp their present conference report and include the specific wording which the Magnuson amendment contains which would solve the problem from our viewpoint.

Mr. FULTON. Mr. Speaker, will the gentleman yield for a question?

Mr. PHILLIPS of California. I yield.

Mr. FULTON. I compliment the gentleman from California because although he is on the other side of this particular question, I being a supporter of the reciprocal trade agreements, he feels exactly as I do—that it is not clear. If it is not clear, then we should have the chairman of the committee, and I will ask the chairman of the committee to state at this time whether the Secretary of State and the State Department approve this section as written.

Mr. PHILLIPS of California. If the gentleman from Kentucky heard that question, he can answer it.

Mr. SPENCE. I yield to the gentleman from Georgia [Mr. BROWN]. 2 minutes to answer the question.

Mr. BROWN of Georgia. The conferees have brought back to the House the bill as passed. In addition to that, we compromised on the Magnuson amendment. You speak about the conferees going back for another conference. The House conferees agreed with the Senators on a compromise of the Magnuson amendment. If we had represented the views of the House entirely we would not have brought back the Magnuson amendment or any part of it. Some of the Members here want the Magnuson amendment as it passed the Senate. It was not adopted by the House and was not offered in the House. We did the best we could. The compromise was satisfactory to the State Department, to the Department of Agriculture, and was satisfactory to the conferees on the part of the Senate who brought the Magnuson amendment before us. Why should we go back for further conference when the compromise was entirely satisfactory to the Senators? We



were not instructed by the House to approve the Magnuson amendment or any part of it. This is what it does. It is stated in the report:

The effect of the conference amendment with respect to subsection (f) is to make sure that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.

We all understood it that way. It was unanimous by the conferees. I am sorry the compromise is not satisfactory to those of you who want the Magnuson amendment as adopted by the other body. We made a compromise that was satisfactory to both the House conferees and the Senate conferees. Why send it back for further conference?

The SPEAKER. The time of the gentleman from Georgia [Mr. BROWN] has expired.

Mr. RICH. Mr. Speaker, will the gentleman yield me 5 minutes?

Mr. SPENCE. I do not have 5 minutes. I am yielding to the other side in conformity with the wishes of the senior minority member of the committee. I yield 2 minutes to the gentleman from California [Mr. BRAMBLETT].

Mr. BRAMBLETT. Mr. Speaker, I yield such time as the gentleman from California [Mr. PHILLIPS] would like to have at this time.

Mr. PHILLIPS of California. Will the gentleman from Georgia make note of the fact that no one as yet has answered my question; that this wording as now in the bill definitely invades the theory of marketing agreements, upon which most of the perishable fruits and commodities have built their protection. I do not wish to take the time from the gentleman from Michigan [Mr. WOLCOTT].

Mr. BROWN of Georgia. I repeat what I said. It may not be satisfactory to those who wanted the Magnuson amendment adopted in full. The Magnuson amendment was not offered or adopted on the floor of the House. We did the best we could by modifying the Magnuson amendment, and brought back that which we thought would be satisfactory to everybody. I think it is clear to the gentleman from California.

Mr. PHILLIPS of California. Do you agree or disagree with this—

Mr. BROWN of Georgia. I agree to exactly what this amendment says.

I quote from the conference report:

The effect of the conference amendment with respect to such subsection (f) is to make sure that future international agreements or amendments to existing international agreements give effect to the provisions of section 22 within the framework of the general agreement on tariffs and trade.

Mr. FULTON. May I again repeat my question to the chairman of the committee, that he advise us specifically whether the new section 22 in the conference report is approved by the Secretary of State or the Department of State, or disapproved. We should know that.

Mr. SPENCE. The Department of State and the Department of Agriculture both approved the amendment.

Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Speaker, I think it might be well if we just reviewed as quickly as we can what really is being discussed here. I think we shall then understand why the Secretary of Agriculture and the Secretary of State are in agreement upon this language brought back by the conference committee.

In the first place, the law as it now stands prohibits any proclamation that would violate a treaty or other agreement entered into. The Magnuson amendment attempts to aid the farmers of this country and particularly our domestic market by providing the reverse, that no treaty can be renewed or entered into in violation of section 22.

The committee has come back with this proposal: That the act as it now prohibits any proclamation in violation of the treaty. Then they take the Magnuson language and say, that those treaties will not be entered into except—and I think this is important—that they comply with the full extent of the general agreement on tariffs and trade.

For many years the farmers of this country have been at a loss to know what to do to protect themselves because these general agreements on tariffs and trade have been written in violation of the intent of Congress when the law was passed. If we now pass this act we give a blessing to a violation of the congressional intent in the past. That is what we do when we pass this law; that is what this language of the conference committee does; that is what we are asked to do today. Without regard to the grounds or the basis of the gathering of more power by the Secretary of State in these general agreements we today, in effect, by congressional act bless it, say it is good for the future, and we want it for all time to come, and we do not want the Secretary of Agriculture to interfere.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Speaker, in these very brief 2 minutes I would like to sum up the legislative situation that we face here at this time. In the first place, the Commodity Credit bill with which the conference report deals, was passed by the House, and the so-called Magnuson-Morse amendment, of course, was not a part of it, nor was that principle voted upon in the House when the bill was before us. In the Senate the amendment we have referred to here as the Magnuson-Morse amendment was adopted.

Subsection (f) of section 22, which the amendment would replace provides:

No proclamation under this section—

Referring to section 22—

shall be enforced in contravention of any treaty or of the international agreements to which the United States is or hereafter becomes a party.

The Magnuson-Morse amendment reverses that theory and recites this:

No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section—

A reversal of the principle. But the conferees ignoring both principles came

in with a completely different concept, which in my opinion, at least, went outside of what was intended by either the Magnuson-Morse amendment or the language of section 22 as it now reads. They add a new thought as pointed out by the previous speaker, the gentleman from California [Mr. WERDEL], the new principle being the negation of section 22 by subordinating that section to the terms of article 2 of what is called GATT, or the general agreements on tariffs and trade. Under these conditions, without the House committee's having had any hearings on the principle involved in this conference agreement, when the conference committee agreement is not in accordance with either the terms of the present law or the Magnuson-Morse amendment, and when it is a very complicated matter in itself and naturally goes beyond anything that has been done by either House, it seems to me the logical thing for this body to do today would be to send this bill back to conference by rejecting this report.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. HOLMES].

Mr. HOLMES. Mr. Speaker, I would like to use this time to ask the chairman another question, if I may, along this line: If the language is adopted as now written, it would result in a congressional ratification of the limitations on section 22 now contained in the general agreement on tariffs and trade, would it not?

Mr. SPENCE. What limitations?

Mr. HOLMES. The limitations in section 22 involving permissive action of the Secretary of Agriculture.

Mr. SPENCE. What are the specific limitations?

Mr. HOLMES. Those limitations that the Secretary of Agriculture has of a permissive nature to invoke if he sees fit the handling of the quotas and the amounts of imports of agricultural commodities that are in competition with surpluses in this country.

Mr. SPENCE. I do not know just what the gentleman has in mind. I do not think he would have that authority in contravention of agreements that have been made by our Government. He certainly would be bound by those agreements. We are bound by the agreements. We merely provide here that in the future no agreement shall be made that will interfere with the carrying out of the tariff policy of the United States. I do not think we can pass any act here that would give any agency of the Government authority to override the agreements we make with other nations as long as those agreements are in effect. I think this liberalizes section 22.

Mr. HOLMES. I feel sure it would mean approval of the limitations on section 22.

The SPEAKER pro tempore (Mr. THOMAS). The time of the gentleman from Washington has expired.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS of Arkansas. Mr. Speaker, we should keep in mind the thing that has been high-lighted by the gentleman



from Georgia [Mr. BROWN], that we are bringing back in substance the bill that was passed by the House. I think, too, that we should recall that many agricultural leaders familiar with the problem are urging the increase in the authorization for the Commodity Credit Corporation to carry on its program. It must not be jeopardized. It would be jeopardized by the defeat of this conference report.

Furthermore, I want to endorse, as one of the conferees, what was so well stated by the gentleman from Michigan [Mr. WOLCOTT] to the effect that hereafter it is obviously the purpose of this legislation to say to the President, and it constitutes a mandate, that no agreement be entered into if in violation of section 22. We have strengthened section 22. Agreements cannot be made in the future that are not made in contemplation of the content and the spirit and the basic principles of section 22. To that extent I think it represents a break with the past.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, I certainly cannot agree with my friend from Arkansas that we have strengthened section 22. We have a conflict here. We have the general agreements on tariff and trade where the Secretary of State is dominantly interested, and we have section 22 where the Secretary of Agriculture should be dominant.

The action of this subcommittee puts the Secretary of State, in my opinion, in a more prominent position than the Secretary of Agriculture. Yet this afternoon we are adding \$2,000,000 to the borrowing power of the Commodity Credit Corporation to take care of surplus agricultural crops.

I would also like to add for the RECORD that we passed a commodity-credit authorization bill on March 27. A meeting was held over at the other side of the Capitol at which, in accordance with the understanding, representatives of the State Department met on March 27 the staff members of the Senate Foreign Relations Committee and the Senate Agriculture Committee and members from the office of the Senate Legislative Counsel. There is where section (f) as now substituted for the Magnuson-Morse amendment was drawn up, and it is hung on what should be an agricultural bill. If any legislation should be recommitted to the committee for further hearings, this is it.

Mr. ELLSWORTH. Is it not true that the term "strengthening the bill" means it strengthens the bill in favor of the State Department over agricultural products?

Mr. HORAN. Absolutely; it endorses GATT completely. The members of the four committees, the Committee on Ways and Means, the Committee on Agriculture, the Committee on Banking and Currency, and the Committee on Foreign Affairs, are vitally interested in this, and yet here we are writing this vital legislation in sorry haste.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact also that under these reciprocal-trade agreements the President has the power to reduce them and he can handle this affair to suit himself and we will have to take just what comes to us from foreign countries, regardless of what this bill calls for?

Mr. HORAN. Yes; even eggs from Communist China.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements and excerpts.)

#### BILL VITAL TO FARMERS

Mr. PATMAN. Mr. Speaker, this legislation is vital to the farmers. It contains an authorization for \$2,000,000,000 for the Commodity Credit Corporation to help the farmers. It is based upon the theory that to help the farmers, the entire country, and the entire economy will be helped. And, I believe that it will. We were convinced, as conferees, that the President would veto the bill if the Magnuson amendment was kept in the bill. We were convinced of that, and being convinced that we could not get by with it without a veto, and realizing the urgency and the need for this legislation to help the farmers, we then decided to write a different amendment, and the amendment written, I believe, will meet with the approval of the President of the United States, and I believe he will approve this bill.

There was one other situation last year concerning potatoes that really caused the adoption of this amendment in the Senate, and when we analyze the allegation that was made about the potato program, it is not of any great significance; it does not amount to anything in the world. The charge was that we were permitting the importation of potatoes from Canada into our country where we had a support program, and where they could get a higher price for their potatoes than they could get in Canada, and they were exporting them. That sounded awfully bad. It is true, absolutely true, that some potatoes were imported, but they were imported from the provinces in eastern Canada by the growers of potatoes who normally, in fact, always, invariably marketed their potatoes in the United States. They have no other market for them. So, they did last year just exactly what they have done heretofore. They did not increase the amount of imports at all; they only amounted to 9,000,000 bushels out of a crop of 400,000,000 bushels in the United States, and at the same time over on the western part of the United States we were exporting potatoes to Canada. It is true that we did not export as many as we imported on the eastern seaboard, but the difference was not great. It was a matter of minor importance, and that one thing caused the Magnuson amend-

ment to be adopted more than any other one thing I am told.

#### LET CONSUMERS BENEFIT

May I say one word here about the gentleman from Pennsylvania [Mr. RICH], who, a while ago—and I hope he listens to me—made a significant statement. He said, "Why do we not let the prices of these perishable products go down when we have a surplus, and let the consumers of the country get the benefit of that lower price?" The gentleman made that statement, if I understood him correctly, and I agree with him 100 percent. That is exactly what we should do, and that is what the Brannan plan proposes; that is exactly what the Brannan plan proposes, and I believe a lot of people will agree with the gentleman from Pennsylvania.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Mississippi.

Mr. COLMER. I should like to ask the gentleman a little further about the so-called Magnuson amendment and the amendment adopted by the conferees. Am I to understand that the Magnuson amendment is strengthened or weakened by the action taken by the conferees?

Mr. PATMAN. It all depends on the way you look at it. Under the Magnuson amendment the Secretary of Agriculture would have complete control. He would file a complaint, he would hear the testimony, he would be the judge and the jury and the executioner. He would be everything. It would be unfair. So under the Magnuson amendment as amended by this committee of conference we leave it up to a bipartisan board, the Tariff Commission, to decide. Would not the gentleman rather have a bipartisan board composed of both Democrats and Republicans decide an important issue like that, rather than have a member of the President's Cabinet have complete and full control and charge? That is the question involved here.

Mr. COLMER. Will the gentleman try to answer this one for me, so that I may get something definite? I am sure the gentleman can answer it. Under your language as opposed to the Magnuson amendment, which would be more effective in stopping the dumping of these foreign products over here?

Mr. PATMAN. I do not know that you would want to stop them entirely from Canada. That is one reason we changed this, after we were convinced the President would veto the bill.

Mr. COLMER. I mean those things on which we do want to stop dumping.

Mr. PATMAN. Canada is our best customer. If we stop the importation of 9,000,000 bushels of potatoes a year, they could ruin us on 25 or a thousand other things.

#### CRITICISM OF SECRETARY BRANNAN ANSWERED

There was a meeting held at St. Paul, Minn., on April 3, 1950, of Production and Marketing personnel of the Department of Agriculture. Secretary Charles Brannan addressed this meeting. He has been criticized for permitting the committeemen who attended this meeting to be paid.



In a letter to the Comptroller General, the Honorable Lindsay C. Warren, Secretary Brannan answers these charges, and I believe his answer is full and complete, should end the controversy and stop the false allegations.

The letter to Mr. Warren is as follows:

DEPARTMENT OF AGRICULTURE,

OFFICE OF THE SECRETARY,

June 1, 1950.

Hon. LINDSAY C. WARREN,

Comptroller General.

DEAR MR. WARREN: I appreciate the opportunity you have given me to outline the nature and circumstances of the meeting of Production and Marketing personnel held at St. Paul, Minn., on April 3 and 4, 1950, which I addressed and about which there has been some criticism on the floor of the Senate.

First, something about the character of the meeting. This was an ordinary staff meeting of the same type and purpose as many others held by this agency and other agencies and bureaus of the Department of Agriculture for many years, and, I am confident, held by many other agencies of Government from time to time. There were about 2,322 Production and Marketing Administration committeemen at the meeting. Of this number, about 245 were county committeemen and about 2,077 were community committeemen. The per diem and travel expenses of the county committeemen amounts to approximately \$8,100. The per diem and travel costs of the attending community committeemen amounts to approximately \$34,000. If I understand Senator AIKEN's statements correctly, he objects only to the presence at the meeting of the community committeemen. It is clear from the following excerpt from the record that Senator AIKEN does not object to the presence of the county committeemen at this meeting:

"On April 3 and 4 the county committeemen of the Production and Marketing Administration for the State of Minnesota met in St. Paul. This was an annual meeting, a perfectly proper meeting called for the purpose of developing an agricultural conservation program for 1951.

"These programs have generally been beneficial to each of the 48 States and to the national agricultural economy.

"The 2-day meeting of the county committeemen at St. Paul was for a perfectly logical and legitimate purpose.

"However, Mr. President, an incident connected with this meeting was, in my opinion, neither logical nor legitimate" (CONGRESSIONAL RECORD, April 11, pp. 5108, 5109.)

The farmer committeemen carry out the programs authorized by the Congress and which are assigned to the Production and Marketing Administration of the Department of Agriculture. It is undoubtedly the most efficient and least costly means of accomplishing the task. Please note that the county committeemen and the community committeemen do identical types of work. Only the geographic area of responsibility is different, although the county committeemen act in a somewhat supervisory capacity over the community committeemen. Both county and community committeemen receive the same scale of remuneration, paid from the same sources and for the same types of service.

Section 7 (b) of the Soil Conservation and Domestic Allotment Act of 1938, as amended, provides as follows:

"The Secretary (of Agriculture) shall designate local administrative areas (communities or townships) as units of administration of programs under this section. No such local area shall include more than one county or parts of different counties. Farmers within any such local administrative area, and participating or cooperating in programs ad-

ministered within such area, shall elect annually from among their number a local committee of not more than three members for such area and shall also elect annually from among their number a delegate to a county convention for the election of a county committee. The delegates from the various local areas in the county shall, in a county convention, elect, annually, the county committee for the county which shall consist of three members who are farmers in the county. The local committee shall select a secretary and may utilize the county agricultural extension agent."

In accordance with this provision of the law, annual and nonpartisan elections are held in each agricultural community in the United States. In 1949 elections were held in 29,106 communities and that many community committees were elected with about 87,000 committee members. These committeemen are charged with the responsibility of administering the PMA programs in their communities for 1950. They do not receive a fixed salary for their services but do receive a daily wage and travel expenses. This is an important variance from the status of the usual Federal employee, who when in travel status receives his salary plus a travel per diem, plus railroad fare or care mileage.

In administering the PMA programs for the fiscal year 1948-49, community committeemen were paid an average of \$6.30 per day for an average of 6.5 days spent in carrying on PMA program work. The balance of the time which they devoted to program work was performed without remuneration from any Government sources whatsoever. Nearly all committeemen spend considerably more of their time in program work for which they receive no compensation. They are working for improved conditions for agriculture and for the Nation and their remuneration comes from the satisfaction in this service.

County committeemen received an average of \$6.90 per day for an average of 44.1 days' work on the programs during the same fiscal year 1948-49. They, too, work many more days than they are compensated for.

It is noteworthy that the committeemen would receive approximately the same amount of money throughout the year for work done whether or not they made this trip to St. Paul. There is just so much money available for the reimbursement of community committeemen and when that sum is used up they continue to work thereafter without remuneration. The implication that representative American farmers could be bribed or induced to attend a meeting by the offer of \$8 per day plus 5 cents a mile for travel is unthinkable, unwarranted, and unjust to American farmers.

All of these committeemen are elected to their positions annually and, although many are reelected year after year, it is necessary to carry on a program of training in order that the new members may be acquainted with their duties and both the new members and the old members acquainted with the changes in the programs as those changes are authorized from time to time by the Congress and established by the Secretary.

Conferences for the purpose of training and instructing new committeemen occur annually throughout the entire United States. Some of these conferences are held in smaller groups at various places throughout the State with the State committee people traveling to these various meetings. The method of instruction is left to the discretion of the State committee people, many of whom find it desirable to bring the committeemen together once a year for a general discussion of programs.

The conferences are carefully planned and are hard-working affairs. The farmer committeemen who attend receive appreciable benefit from the straight program training and instruction which is made available to

them. It has also been found that in the conduct of these conferences a very useful purpose can be served by providing committeemen with the opportunity to hear firsthand the views of some of the leading agriculturalists in the country. This has led to the general practice of inviting well-known and accepted agricultural leaders to participate on conference programs. For example, the principal speaker at the Vermont State PMA conference this year was Senator GEORGE D. AIKEN. The North Carolina State PMA conference this year invited Senator CLYDE R. HOEY as its main speaker. Senator SPESARD L. HOLLAND spoke at the Florida State PMA conference. It has been a generally accepted practice when time would permit for the Secretary of Agriculture to attend one or more of these State conferences throughout the year. Each of the two preceding Secretaries of Agriculture had spoken at an identical type of meeting in Minnesota and at many other such meetings in other States.

The two Senators from Minnesota were invited to attend this meeting. Senator EDWARD J. THYE did not attend. The invitation to him and his reply are attached. Senator HUBERT H. HUMPHREY did appear on the program.

In 1948 the then Secretary of Agriculture, CLINTON P. ANDERSON was the principal speaker and discussed existing and proposed farm legislation.

The same kind of an invitation or notice of Mr. ANDERSON's expected attendance at the meeting was issued in which attention of the committeemen was called to the fact that per diem and travel would be allowed.

So that you may judge the character of the remarks made by me during the session, I have supplied you with a transcript of a recording taken at the meeting. I also have a recording for your use if you care to check against the written transcript. I especially invite your attention to the fact that this was a discussion of the farm problem. No reference was made to a political party or to a political candidate (unless Allan Kline is now a political candidate). The listeners were not exhorted to vote in one fashion or another on any issue whatsoever; in fact, the question of voting is not mentioned specifically or by innuendo.

Without respect to the question as to whether or not such meetings are sound administration or are authorized by law—my views on these two points being very clear that they are both wise and lawful—I believe these conclusions are inescapable:

First, the community committeemen who attended this meeting will have received at the end of the year no more money than if they had not attended this meeting. Approximately so much money is available each year for administrative costs and when these funds are exhausted, the farmers continue their work without remuneration. They would have earned this money before the year was out in some other fashion.

Second, there is nothing about the convening or conduct of this meeting which is in any wise different from many other meetings which have been held this year and in previous years throughout the country by this and many other agencies of government.

Third, there is nothing different about this meeting than previous meetings held in this State, even including the nature, phraseology and character of the notice or invitation sent to the community committeemen.

Fourth, community committeemen and county committeemen are engaged in the very same type of program and, therefore, if, as it is already acknowledged, this meeting was perfectly proper as far as county committeemen are concerned, it very logically follows that it was equally proper as far as community committeemen are concerned.



Fifth, the fact that Senator HUMPHREY addressed this meeting in political terms cannot be charged to those who organized the meeting or to the Secretary of Agriculture. Senator THYE, a member of the opposite party, was invited and could have spoken as vehemently on the other side of the same issues if he had chosen to do so. I do not believe it wise to exclude members of Congress from these meetings and I assume that Senator AIKEN agrees for he has availed himself of such opportunity subsequent to the date he took exception to the St. Paul meeting.

Obviously, if there is any additional information which we can supply to you with regard to this matter, we shall be pleased to do so.

Yours truly,

CHARLES F. BRANNAN, *Secretary*.

FARM PROSPERITY CAUSES NATION'S PROSPERITY  
AND ENCOURAGEMENT OF HOME AND FARM  
OWNERSHIP

If anyone believes that our Government is going in the direction of socialism or communism, he will be greatly disappointed in what the president of the National Association of Real Estate Boards has had to say.

The president of this organization, Mr. Robert P. Gerholz, predicts that three out of four families in the United States will own homes. He says that a majority of the people own their own homes now. Socialism or communism would cause the people to divide what they have with others who do not have anything. As long as people are home owners, they are not going to be Socialists or Communists because they are not willing to divide their homes.

More people own their homes and farms today than ever before in history. More people own their automobiles and personal property of all kinds than ever before in all history, so the trend is not toward socialism, it is in the opposite direction.

Mr. Gerholz says that home ownership in the United States declined steadily from 1890 to 1940, but since the war this trend has been dramatically reversed. Therefore, the time in our country when socialism was probably stronger than at any other time was from 1890 to 1940.

I am inserting herewith a statement concerning this important subject that appeared in the Washington Post Sunday, June 18, 1950. It is as follows:

An expanding market—growing with a rising standard of living—will make home owners of three-fourths of American families.

This is the prediction of Robert P. Gerholz, president of the National Association of Real Estate Boards. In making it, he urged the housing industry to "move into the unreached market of 45 percent of American families."

The potential market by 1956, according to the official, is for 12,000,000 new homes. Even now, he observed, a majority of American families are home owners for the first time on record.

Writing in the current issue of NAREB's news letter, Gerholz viewed optimistically the outlook for home ownership over the Nation.

"Public taste and esteem for home ownership is at a new high," he declared. "We should never forget that the proportion of American families who owned their homes was in almost steady decline from 1890 to 1940. Since the war this trend has been dramatically reversed."

As factors contributing to increased home ownership, he named:

1. General economic expansion, which has made home ownership possible for many families who were unable to reach it in the prewar era.

2. The amortized insured mortgage, which has been an important factor.

3. Increased use of automobiles, which has made suburban neighborhoods of modestly priced homes more accessible to work centers.

Right now, Gerholz asserted, home ownership is at the highest level ever. He noted that an increase of 6,000,000 home owners occurred between 1940 and 1947—a gain of 40 percent.

"This pickup in home ownership is sound," he said. "Fifty-seven percent of all home owners are free and clear of mortgages. Seventy percent of our farms are free and clear. Equities generally are sounder, with carrying charges that require a smaller proportion of the family budget than was the case in the prewar era."

Home values, the official wrote, are good. He cited a recent NAREB survey which found that about half of all new home production is in the \$8,000 and under price range.

Average selling prices of all houses—new and used—have been reported by the Federal Reserve Board at around \$7,000, he said. Prices paid by veterans for homes bought under the GI bill average well under \$7,000.

Gerholz said that the housing industry has broken all past building records and is well on the way to do it again this year. The number of new homes put under construction this year is 53 percent greater than in the same period of 1949, he reported.

Will this building pace continue?

In 1949, he said, a Government survey showed that there was still an unmet market for 7,000,000 homes in the next 5 years. If we add to this the number of families who say they might buy a house by 1956, the potential 5-year market is for 12,000,000 homes.

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I have just interrogated my friend, the gentleman from Texas [Mr. PATMAN], in an effort to get his valued opinion as to the merits of the conferees' substitute for the so-called Magnuson amendment.

I regret exceedingly that his time and all time is so limited that I could not follow that colloquy further. For, Mr. Speaker, I am convinced from the meager opportunity that I have had to study the conferees' substitute that it will not prove as effective as the Magnuson amendment in the goal sought of protecting our American agricultural interests against the importation of foreign products.

Frankly, I have never felt that the Magnuson amendment went far enough in attaining this goal. It was permissive and placed too much discretionary power in the Secretary of Agriculture rather than mandatorily providing the machinery to protect our American growers; but now it appears that the conferees have so weakened the already weakened Senate provision that the American farmer can expect little protection from this legislation if and when it becomes the law.

The American producer of agricultural products should have some real protection from similar products produced in countries with comparatively low standards of living. Certainly, he has a right to expect that consideration for the do-

mestic market. To illustrate: We have in my section of this country an infant tung-oil industry. Tung oil is essential to our national defense, as well as for domestic uses. The development of this industry in this country has been accentuated for national-defense purposes particularly since World War I when the foreign supply was cut off and it proved a great boon during World War II. This House, realizing this, last year passed my bill, H. R. 29, for a mandatory support price on tung oil. That provision was subsequently adopted in the Senate in the over-all agricultural bill, and is now the law of the land. But notwithstanding that the Secretary must support tung oil at approximately 23 cents per pound the importers and brokers, who are more interested in fees than in the domestic economy, so manipulate the market with the importation of foreign—principally Chinese—oil that they are able to undersell the domestic growers because these Chinese and other foreign oils are produced with cheap coolie and Indian labor.

Realizing the importance of this industry and out of a desire to protect my American growers, more than 5 years ago, I introduced a bill, which is still pending before the Congress, to provide for a duty of 5 cents per pound on this imported oil. I have been unable to get favorable action on this proposed legislation because of the foreign policy with reference to foreign trade.

Of course, we all believe, Mr. Speaker, that it is necessary to help our foreign allies in the fight against communism in this troubled world; but it certainly does not make sense for us to fight communism with one hand and to help it with the other. In this particular case of tung oil that is exactly what we are doing under the present policy.

We are, in effect, assisting Communists in China in their effort to take over the great Chinese nation by permitting them to ship this cheaply produced and inferior grade of oil into this country to undersell our American growers. At the same time we are also threatening an industry built up largely because of our national defense needs without which we would be at the mercy of the Communists in the event of another war. More than that, we are asking the American taxpayer through this support program to subsidize the Chinese Communists. No, it just simply does not make sense. Therefore, Mr. Speaker, I regret very much that the conferees have seen fit to weaken rather than to strengthen the so-called Magnuson amendment. And, while I dislike very much to vote against this bill increasing the Commodity Credit capital, I find it very difficult because of this action to go along with this legislation.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, we are dealing today with an instrumentality that has done more for agriculture than any other agency of the Government. In 1933 when the Commodity Credit Corporation was



set up by law, wheat was about 30 cents, corn about 20 cents, cotton about 6 cents, and tobacco about 5 cents. It has given a stability to the farming industry that it otherwise could not have had. It has given an incentive to the farmers to stay on the farm and produce the necessary crops.

The gentleman from Pennsylvania spoke of the injury he thought this act would do to labor by increasing the price of farm products. I have never seen labor prosperous unless agriculture was prosperous. Prosperity does not become spotty in the United States. We are either all prosperous or all depressed. No agency has done more to create this condition than the Commodity Credit Corporation.

Are you going to destroy the usefulness of this corporation which needs the money we are giving it now, the borrowing capacity, by discussing these technical questions which mean so little when we consider the over-all purpose and effect of the legislation and, if they do not meet with your entire approval, sending back this conference report and causing further delay? The purpose of passing this act was to give to agriculture the support they needed in this crop year. We failed in that by the delay. It is essential that this conference report be passed immediately, so that the borrowing capacity of the Commodity Credit Corporation will be increased by \$2,000,000,000 in order that they can carry out the functions for which they were created and which are essential to the stability of agriculture.

We have not done anything to weaken section 22. You will find in the operation of this act that the full purpose for which it was created will be carried out. We could not give anybody the authority to make any agreements not in conformity with international trade agreements.

The treaties of the United States are the supreme law of the land. The international agreements, whether they are made with the formality of a treaty or not, pledge the faith and honor of the United States. We have to carry out our international agreements.

Mr. Speaker, I hope the House will approve of this conference report and will give the Commodity Credit Corporation the opportunity to continue to function and continue to render the services it has rendered in the past and to give a stability to agriculture which it otherwise would not have; to give an assurance to the farmer that he will obtain a living price for his products which will keep him on the farm; and which will give this basic industry an assurance that it may in the future rely upon the support it has had in the past and give the American people the assurance that the farmer will still produce.

This is a basic industry, an industry upon which we all rely.

The SPEAKER. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the conference report.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 71, noes 39.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. RICH. Mr. Speaker, reserving the right to object, I cannot understand why this should go over until tomorrow, when we have the votes here now to defeat it, and we should defeat it.

Mr. McCORMACK. I am simply carrying out an agreement made with Members of the House.

The SPEAKER. Sometimes the leadership desires to accommodate Members who may not be present on a certain day. I assume that is why the gentleman from Massachusetts made the request.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FULTON. Mr. Speaker, I am glad to accommodate the majority side, and withdraw the point of order.

#### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JUNE 20, 1950.

Hon. SAM RAYBURN,

*The Speaker, House of Representatives,  
Washington, D. C.*

MY DEAR MR. SPEAKER: I hereby respectfully submit my resignation as a member of the House Committee on Banking and Currency.

Sincerely yours,

HUGH B. MITCHELL.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

#### ELECTION OF MEMBER TO COMMITTEE ON EDUCATION AND LABOR

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 659) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That HUGH B. MITCHELL, of Washington, be and he is hereby, elected a member of the standing Committee of the House of Representatives on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### ELECTION OF MEMBER TO COMMITTEE ON BANKING AND CURRENCY

Mr. DOUGHTON. Mr. Speaker, I offer a resolution (H. Res. 660) and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That RICHARD BOLLING, of Missouri, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Banking and Currency.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### COMMITTEE TO INVESTIGATE CAMPAIGN EXPENSES

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 635 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That a special committee of five members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1951, with respect to the following matters:

1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

2. The amounts subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio and television time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1950 to which a candidate for the House of Representatives is to be nominated or elected.

3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

4. The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

5. The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) The act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch act.

(c) The provisions of section 304, Public Law 101, Eightieth Congress, chapter 120, first session, referred to as the "Labor Management Relations Act, 1947."

(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

6. Such other matters relating to the election of Members of the House of Representatives in 1950, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and be-



fore any duly authorized subcommittee thereof shall be public, and all orders and decisions of the committee, and of any such subcommittee shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

8. The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

9. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1951, as hereinabove provided.

Mr. SMITH of Virginia. Mr. Speaker, this is the customary resolution passed every 2 years for the routine investigation of campaign expenditures. It is introduced by the majority leader. I know of no opposition and there are no requests for time on this side.

Does the gentleman from Ohio desire some time?

Mr. BROWN of Ohio. I would like about 2 or 3 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman from Ohio [Mr. BROWN] 3 minutes.

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Virginia [Mr. SMITH] has explained, this is a resolution that is adopted every campaign year by the House. It applies to the election of Members of the House. This is an agreed piece of legislation by the leadership on both sides of the aisle and certainly should be adopted. It is a nonpartisan effort to keep track of elections, and in the spirit of good government I think we should adopt this legislation.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time.

I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### CORRECTION OF THE RECORD

Mr. McKINNON. Mr. Speaker, I ask unanimous consent to correct the RECORD. In column 2, in the RECORD of

yesterday, erroneous amendments are reported to the bill (H. R. 6339). I ask unanimous consent to insert in place the amendments that were offered by the Committee on Public Works.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

#### SPECIAL ORDER GRANTED

Mr. BOYKIN. Mr. Speaker, I ask unanimous consent that at the expiration of the business today and other special orders previously agreed to, I may address the House for 40 minutes, and revise and extend the remarks that I make at that time and include statements by the Honorable Harley Hise, chairman of the Board of the RFC, and Hon. Harvey J. Gunderson, Director of the RFC.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### SELECT COMMITTEE TO INVESTIGATE THE USE OF CHEMICALS, COMPOUNDS, ETC., IN THE PRODUCTION OF FOOD PRODUCTS

Mr. DELANEY. Mr. Speaker, I call up House Resolution 323 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas the people of the United States are vitally interested in wholesome food; and since many individuals and firms have been placing adulterated dairy and meat products and other foods on the market and have by chemical processes together with pure adulteration reduced their nutritional value, specifically in various cheeses and meat products; and

Whereas an increasing proportion of the Nation's food supply is being industrially processed and the industrial techniques of processing food have a direct bearing on the quality of the national diet and the standards of public health; and

Whereas chemicals, compounds, and synthetics on an increasing scale are being introduced and used in the production, processing, preparation, and packaging of food products; and

Whereas under existing law there is no requirement that the chemicals, compounds, and synthetics be demonstrated to be non-toxic before being so used in the production, processing, preparation, and packaging of food products; and

Whereas chemicals, compounds, and synthetics are being used to reduce or displace in foods important nutritive ingredients; and

Whereas the trend represented by the use of these chemicals, compounds, and synthetics presents a serious problem not only to the health and welfare of people but also to the future stability and well-being of our entire agricultural economy; and

Whereas many pesticides and insecticides of known toxicity are being exposed for use in connection with the growing of fruit, vegetable, and forage crops and for the eradication of insect pests, the uncontrolled use of which threatens contamination of the food supplies of the Nation with resulting ill effects upon the health of the people; and

Whereas the use of commercial fertilizer containing excessive quantities of inorganic chemicals is definitely involved in the matter of plant, animal, and human nutrition and health: Now, therefore, be it

Resolved, That there be, and hereby is, created a select committee to be composed of seven Members of the House of Repre-

sentatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of—

(1) the nature, extent, and effect of the use of chemicals, compounds, and synthetics in the production, processing, preparation, and packaging of food products to determine the effect of the use of such chemicals, compounds, and synthetics (A) upon the health and welfare of the Nation and (B) upon the stability and well-being of our agricultural economy;

(2) the nature, extent, and effect of the use of pesticides and insecticides with respect to food and food products, particularly the effect of such use of pesticides and insecticides upon the health and welfare of the consumer by reason of toxic residues remaining on such food and food products as a result of such use; and

(3) the nature, effect, and extent of the use of chemicals, compounds, and synthetics in the manufacture of fertilizer, particularly the effect of such use of chemicals, compounds, and synthetics upon (A) the condition of the soil as a result of the use of such fertilizer, (B) the quantity and quality of the vegetation growing from such soil, (C) the health of animals consuming such vegetation, and (D) the quantity and quality of food produced from such soil, and (E) the public health and welfare generally.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations for legislation as it may deem advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and reserve 30 minutes to myself.

I yield myself 5 minutes.

Mr. Speaker, this resolution deals with the use of chemicals in food. The resolution consists of three parts: The first has to do with substances of a chemical nature used in food; the second, with the use of insecticides and pesticides and their effect upon food; and the third, the use of chemicals in fertilizers and the residual toxicity that may carry over to the food.

Both the gentleman from Wisconsin [Mr. KEEFE] and the gentleman from Illinois [Mr. SABATH] have sponsored this type of legislation over a period of time. I believe we will all agree that FRANK KEEFE is probably one of the outstanding









# House of Representatives

WEDNESDAY, JUNE 21, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, whose divine sovereignty and authority we cannot doubt or disobey, we pray that daily we may faithfully and fearlessly seek to do what Thou dost command.

Show us how we may enrich and strengthen our national life and find the secret of its cohesive and conquering power.

Inspire and guide our Speaker and all the Members of this Congress in their deep concern for the honor and security of our democracy. May they perceive what is needful and devise what is right.

Grant that we may fix our hopes and expectations and desires not on mere material prosperity but upon the achievement of spiritual greatness.

Hear us in the name of the Christ. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 2, 1950:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes;

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the Regular components of the Armed Forces of graduates of the United States Military, Naval, or Coast Guard Academies; and

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

On June 5, 1950:

H. R. 7797. An act to provide foreign economic assistance.

On June 7, 1950:

H. R. 6655. An act for the relief of Taeko Suzuki.

On June 8, 1950:

H. R. 1285. An act for the relief of the legal guardian of Lena Mae West, a minor.

On June 14, 1950:

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 5126. An act for the relief of Mrs. Nathalie E. Cobb;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5913. An act to authorize the exchange of certain lands of the United States

situated in Ross County, Ohio, for lands within Symmes Creek purchase unit in Lawrence County, Ohio, and for other purposes;

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes; and

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," and approved March 28, 1806.

On June 15, 1950:

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes; and

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

On June 16, 1950:

H. R. 589. An act for the relief of C. M. Smart;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1482. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1866. An act for the relief of Honorio Canciller and Nancy Ting Evangelista;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4567. An act to amend the Displaced Persons Act of 1948;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7609. An act to grant a renewal of Patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal; and

H. R. 7984. An act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes.

On June 17, 1950:

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1602. An act for the relief of Ben Grunstein;



H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Mathegu);

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman; and

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe.

On June 19, 1950:

H. R. 1103. An act for the relief of Miriam Berkle; and

H. R. 4996. An act for the relief of Lonnie M. Abernathy.

On June 20, 1950:

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 6364. An act for the relief of Yoshiko Matsumura;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga; and

H. R. 7778. An act for the relief of Miyoko Oishi.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3639. An act providing for an extension of the time during which annual assessment

work on mining claims held by location in the United States may be made.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8198) entitled "An act to provide for the organization of the Army and the Department of the Army, and for other purposes."

#### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JUNE 21, 1950.

The honorable the SPEAKER,  
House of Representatives,  
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Agriculture.

Respectfully,

NORRIS COTTON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

#### ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 661), as follows:

Resolved, That BEN GUILL, of Texas, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Agriculture.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### BORROWING POWER OF COMMODITY CREDIT CORPORATION

The SPEAKER. The unfinished business is the question on the adoption of the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

The question is on the conference report.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 22, noes 18.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 235, nays 81, answered "present" 1, not voting 113, as follows:

[Roll No. 178]

YEAS—235

Abbitt	Fernandez	Murdock
Abernethy	Fisher	Murphy
Addonizio	Flood	Murray, Tenn.
Albert	Forand	Murray, Wis.
Allen, Ill.	Fugate	Nelson
Allen, La.	Furcolo	Noland
Andersen,	Garmatz	Norrell
H. Carl	Gathings	Norton
Andrews	Golden	O'Brien, Ill.
Arends	Gordon	O'Hara, Ill.
Aspinall	Gorski	O'Hara, Minn.
Barden	Gossett	O'Konski
Barrett, Pa.	Granahan	O'Neill
Barrett, Wyo.	Grant	O'Toole
Battle	Green	Pace
Beckworth	Gross	Passman
Bennett, Fla.	Guill	Patman
Bennett, Mich.	Hagen	Patten
Bentsen	Halleck	Peterson
Biemiller	Harden	Philbin
Blatnik	Hardy	Pickett
Boggs, La.	Harris	Poage
Bolling	Harrison	Potter
Bolton, Md.	Hart	Preston
Bonner	Harvey	Price
Bosone	Havenner	Priest
Boykin	Hays, Ark.	Rains
Breen	Hays, Ohio	Ramsay
Brooks	Hedrick	Rankin
Brown, Ga.	Hill	Rees
Brown, Ohio	Hoeven	Rhodes
Buchanan	Holifield	Robeson
Buckley, Ill.	Holmes	Rodino
Burleson	Horan	Rogers, Fla.
Burnside	Howell	Rooney
Burton	Huber	Sadlak
Byrne, N. Y.	Hull	Sasser
Byrnes, Wis.	Jacobs	Scrivner
Camp	Jonson	Secrest
Cannon	Jennings	Shafer
Carlyle	Jensen	Shelley
Carnahan	Jones, Ala.	Sheppard
Carroll	Jones, N. C.	Short
Case, S. Dak.	Karst	Simpson, Ill.
Cavalcante	Karsten	Smathers
Celler	Kee	Smith, Va.
Chatham	Kelly, N. Y.	Smith, Wis.
Chesney	Kilburn	Spence
Chiferfield	Kilday	Staggers
Chudoff	Kirwan	Stefan
Clemente	Kruse	Sullivan
Cole, Kans.	Lane	Tackett
Combs	Lanham	Talle
Cooper	Larcade	Teague
Crawford	LeCompte	Thomas
Crook	Lind	Thompson
Crosser	Linehan	Thornberry
Cunningham	Lucas	Trimble
Curtis	Lynch	Underwood
Davenport	McCarthy	Velde
Davis, Ga.	McCormack	Vinson
Davis, Tenn.	McCulloch	Vursell
Davis, Wis.	McGuire	Walter
Dawson	McMillen, Ill.	Weichel
Deane	Madden	Whitaker
DeGraffenried	Magee	Whitten
Delaney	Mahon	Whittington
Denton	Mansfield	Wier
D'Ewart	Marcantonio	Williams
Dollinger	Marsalis	Willis
Donohue	Marshall	Wilson, Tex.
Doughton	Martin, Iowa	Winstead
Douglas	Martin, Mass.	Withrow
Doyle	Meyer	Wolcott
Durham	Michener	Woodhouse
Eberharter	Miles	Woodruff
Elliott	Miller, Nebr.	Yates
Evins	Mills	Zablocki
Feighan	Multer	

NAYS—81

Allen, Calif.	Dondero	Hinshaw
Anderson, Calif.	Eaton	Hoffman, Mich.
Angell	Ellsworth	James
Auchincloss	Elston	Javits
Baring	Engle, Calif.	Jenkins
Bates, Mass.	Fallon	Johnson
Beall	Fellows	Jonas
Bishop	Fenton	Judd
Boggs, Del.	Fulton	Kearney
Bolton, Ohio	Gavin	Kearns
Bramblett	Gillette	Keating
Canfield	Goodwin	Kunkel
Case, N. J.	Graham	Latham
Clevenger	Hale	LeFevre
Cole, N. Y.	Hall	Lichtenwalter
Colmer	Leonard W.	McDonough
Corbett	Herter	McKinnon
Dague	Heselton	



Mack, Wash.	Riehlman	Taber
Macy	Rogers, Mass.	Tauriello
Mason	St. George	Tollefson
Nicholson	Saylor	Van Zandt
Patterson	Scott, Hardie	Vorys
Plumley	Scott,	Wadsworth
Poulson	Hugh D., Jr.	Wagner
Reed, N. Y.	Scudder	Wigglesworth
Ribicoff	Simpson, Pa.	Wolverton
Rich	Smith, Kans.	

## ANSWERED "PRESENT"—1

Jackson, Calif.

## NOT VOTING—113

Andresen,	Hobbs	Pfeiffer,
August H.	Hoffman, Ill.	William L.
Bailey	Hope	Phillips, Calif.
Bates, Ky.	Irving	Phillips, Tenn.
Blackney	Jackson, Wash.	Polk
Brehm	Jones, Mo.	Powell
Bryson	Keefe	Quinn
Buckley, N. Y.	Kelley, Pa.	Rabaut
Bulwinkle	Kennedy	Redden
Burdick	Keogh	Reed, Ill.
Burke	Kerr	Regan
Chelf	King	Richards
Christopher	Klein	Rivers
Cooley	Lodge	Roosevelt
Cotton	Lovre	Sabath
Coudert	Lyle	Sadowski
Cox	McConnell	Sanborn
Davies, N. Y.	McGrath	Sikes
Dingell	McGregor	Sims
Dolliver	McMillan, S. C.	Smith, Ohio
Engel, Mich.	McSweeney	Stanley
Fogarty	Mack, Ill.	Steed
Ford	Marrow	Stigler
Frazier	Miller, Calif.	Stockman
Gamble	Miller, Md.	Sutton
Gary	Mitchell	Taylor
Gilmer	Monroney	Towe
Gore	Morgan	Walsh
Granger	Morris	Welch
Gregory	Morrison	Werdel
Gwinn	Morton	Wheeler
Hall,	Moulder	White, Calif.
Edwin Arthur	Nixon	White, Idaho
Hand	Norblad	Wickersham
Hare	O'Brien, Mich.	Widnall
Hébert	O'Sullivan	Wilson, Ind.
Heffernan	Perkins	Wilson, Okla.
Heller	Pfeiffer,	Wood
Herlong	Joseph L.	Young

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kerr for, with Mr. Blackney against.  
 Mr. Sabath for, with Mr. Hand against.  
 Mr. Keogh for, with Mr. Hoffman of Illinois against.  
 Mr. Morgan for, with Mr. William L. Pfeiffer against.  
 Mr. Lovre for, with Mr. Towe against.  
 Mr. Dolliver for, with Mr. Smith of Ohio against.  
 Mr. Klein for, with Mr. Coudert against.  
 Mr. Forgary for, with Mr. Phillips of California against.  
 Mr. Gilmer for, with Mr. Taylor against.  
 Mr. Miller of California for, with Mr. Jackson of California against.

Until further notice:

Mr. Sims with Mr. Edwin Arthur Hall.  
 Mr. Hébert with Mr. August H. Andresen.  
 Mr. Bailey with Mr. Keefe.  
 Mr. Gary with Mr. McGregor.  
 Mr. O'Brien of Michigan with Mr. Brehm.  
 Mr. Stanley with Mr. Engel of Michigan.  
 Mr. Welch with Mr. Stockman.  
 Mr. Morrison with Mr. Sanborn.  
 Mr. King with Mr. Miller of Maryland.  
 Mr. McGrath with Mr. Marrow.  
 Mr. Roosevelt with Mr. Cotton.  
 Mr. Heller with Mr. Ford.  
 Mr. Wickersham with Mr. Gamble.  
 Mr. Redden with Mr. Gwinn.  
 Mr. Rabaut with Mr. Hope.  
 Mr. Heffernan with Mr. Morton.  
 Mr. Sutton with Mr. Reed of Illinois.  
 Mr. Wheeler with Mr. Widnall.  
 Mr. Cooley with Mr. Wilson of Indiana.

Mrs. HARDEN, Mr. CRAWFORD, Mr. BARRETT of Wyoming, Mr. WOODRUFF, and Mr. SMITH of Wisconsin changed their votes from "nay" to "yea."

Mr. PRIEST. Mr. Speaker, I am informed that on this roll call the gentleman from Illinois, Mr. SABATH, is recorded as voting "yea." The roll call is in error in that respect since the gentleman from Illinois is not in town. I ask unanimous consent that the roll call be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. JUDD. Mr. Speaker, I am constrained to vote against approving the conference report. I voted for the original bill to increase the purchasing power of CCC and I approve that part of the bill now. However, the new legislation written by the conferees and amending section 22 of the Agricultural Adjustment Act is too drastic to be approved without full consideration by the appropriate committees of Congress. Actually the changes involve matters affecting the province of four committees: Agriculture, Ways and Means, Foreign Affairs, and Banking and Currency. It is not enough to allow such legislation to pass with only a small number of the last-named committee having any previous knowledge of it, and when some of them frankly say they are not sure what the new section 22 (f) means. I confess I cannot understand it. I believe this report should be sent back to the conferees and the section 22 amendments removed or brought up in separate legislation or at least spelled out so we can know what we are doing.

## ARMY ORGANIZATION ACT OF 1950

Mr. KILDAY. Mr. Speaker, I call up the conference report on the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of Tuesday, June 20, 1950.)

Mr. KILDAY. Mr. Speaker, this bill was passed by the House recently and as it comes from the conference is substantially the bill as passed by the House. It is a unanimous report of the conferees.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

## HOUSING AND RENT ACT OF 1950

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of Monday, June 19, 1950.)

Mr. SPENCE. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is a conference report on the rent-control bill.

I would like to call to the attention of the House the fact that we have just agreed to a conference report providing the means by which the support price for farm products may be maintained. That conference report has received the almost unanimous support of Members from the cities. Members from the cities have taken a larger view of the subject and have voted for an agricultural bill. Now the city people are in need of some protection, and they ask you, Who are the beneficiaries of that conference report which they have just supported, to heed their Macedonian cry for help and to give them some assistance?

This has been a remarkable conference. We have brought back to the House a bill that is substantially the same bill that was reported by the committee. In the House we increased the first period of rent control from December 31 to January 31. I thought that was a good amendment, because 42 legislatures meet next January, and I thought they might handle the matter satisfactorily to the States. But the conferees were of other opinion. The Senators said the Senate would not agree to the conference report with that provision in it, at least without great delay, and we receded.

So we bring the bill back to you as it was reported by the committee, with one minor amendment, which gives the counties the right to decontrol unincorporated areas within their boundaries.

There was no material difference between the Senate bill and the House bill that came to conference save in one instance. The minority conferees, however, did not sign the report. The report is signed by all the Senate conferees. The reason the minority members of the conference committee did not sign the report is because the conferees did not agree to the Douglas amendment, which was never considered by the House, and which the Senate conferees readily receded from. That was a remarkable condition that prevailed. This bill was brought to the House under an open



rule. Any germane amendment was in order. No amendment of that character was offered, and none was considered. Because the managers on the part of the House did not agree to the Senate amendment, from which the Senate readily receded, the conferees broke up, as far as the minority and majority on the part of the House is concerned, in disagreement.

What does the Douglas amendment do? I think it is unnecessary to consider it because it was never in issue, but the Douglas amendment provided that where there was an appreciable number of people in an establishment ordinarily called a hotel who received the ordinary services of the hotel, such as bellboy service, desk service, laundry service, the furnishing of linen, maid service, and so forth, that the hotel would be decontrolled as a unit. In many hotels there are permanent residents who have remained there for years, but because an appreciable number receive these services the hotel would be decontrolled. What is "an appreciable number"? Webster's Dictionary defines "appreciable" as "large or material enough to be recognized; perceptible." Any number, it seems to me, would be an appreciable number, and any institution could qualify itself for decontrol by furnishing these few services to one or more persons. Those words are weasel words that just suck the meaning out of the amendment and the amendment may be construed as making every institution eligible for decontrol.

Is it not an unreasonable position for any of the conferees on the part of the House to oppose the House bill passed under an open rule subject to all germane amendments, because the conferees did not accept a Senate amendment that the Senate itself did not seem to want? There is no doubt that in many sections of this country we still need rent control.

This is a bill that takes back to the people themselves the right to say whether control shall be continued. Every council elected by the people of the cities can decontrol rents at any time after this bill is enacted into law, and if they desire to continue the controls after the 31st of December they must take affirmative action. Why should we cloak this bill with restrictive amendments when we are sending the whole matter back to the people to decide for themselves? It may be that rent control is on the way out; it probably is. But certainly there would not be such an insistent demand for this bill from certain sections of the country unless there were a real need for it. We know how active the members from city districts have been for this measure; we know that it not only means much to their citizens but also that it means much to their future political welfare. They are acting on the demand, the crystallized sentiment of their people, and they have asked you to give them the protection that may come from the authority of the city government or the citizens themselves to decide whether or not they need the extension of rent control. It certainly

is a logical and reasonable thing to do. I feel confident that the membership will agree to this conference report, for with one exception it is practically the bill which passed the House—agree to the conference report and give the people the right they have asked, to decide this issue themselves, a question which is essentially local and about which they know more than the Congress could possibly know.

Mr. Speaker, if this conference report is not adopted the protection that they have asked for will probably go out of the window. The Members who want this most have recently shown that they view legislation from a national standpoint because if you will look at the RECORD tomorrow morning and observe the vote on the Commodity Credit Corporation conference report you will find that most of the Members from the city voted for it. They come now and ask you to help them in order that their people may be treated fairly, in order that there may be an orderly discontinuance of rent control, in order that the impact of decontrolling rents abruptly at this time may not be felt and in order that the unhappiness and inconvenience that would result may be obviated.

Housing is essential to our people. It is not only essential for their comfort and their welfare but it is essential for our domestic tranquillity. I hope this bill will be administered in such a way that it will be fair to both the property owner and the tenant. They have mutual rights and mutual obligations.

The SPEAKER pro tempore (Mr. PRIEST). The time of the gentleman from Kentucky was expired.

Mr. SPENCE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, as the chairman of the Committee on Banking and Currency has stated, the conference report brings back a bill which is substantially the bill as passed by the House, the one major exception being that the House had adopted an amendment continuing rent control until January 31, 1951, unless by resolution of the governing body in any incorporated city, town, and municipality, it was decontrolled before then. When the Committee on Banking and Currency reported the bill to the House it provided that rent controls would expire on December 31, 1950 in localities outside of these incorporated areas and in the incorporated areas which had not taken action to continue controls. The conferees on the part of the House yielded to the Senate in that particular so that as the bill comes back to us now rent controls terminate in all unincorporated areas and in the incorporated areas which do not take affirmative action to continue them on December 30, 1950. In the incorporated areas in which this affirmative action is taken, then rent controls shall continue to not beyond June 30, 1951.

That is the substantial difference. But I think that, in justice to many Members who have consulted with me and other members of the committee in respect to an amendment which the Senate had already adopted, I should

comment upon the fact that the Senate receded from the action which it had taken in respect to the so-called Chicago amendment, and I presume that there was nothing else for the House to do, inasmuch as the so-called Chicago amendment was not in the House bill, but to accept the position which the Senate conferees took in respect to their own amendment.

I am placed in the very embarrassing, if not humiliating, position of having told at least six Members of the House that there was no question but that the Senate amendment decontrolling the residential and apartment hotels in the city of Chicago would stay in the bill. I had reason to believe that the sponsor of that amendment in the Senate would be a member of the conference. He has been a member of many conferences on housing and rent control ever since he has been in Congress. I felt—and nothing to the contrary has convinced me otherwise—that he used good faith in presenting the amendment in the Senate to decontrol the Chicago residential and apartment hotels, but, frankly, I never saw conferees on the part of the Senate yield so quickly on anything in my life, and without consultation with the Member who offered the amendment in the Committee on Banking and Currency of the Senate and who was responsible for its enactment on the floor of the Senate. So I want to apologize to those Members whom I advised against offering a similar amendment in the House for my lack of understanding of what the tactics might be in respect to this particular amendment. I still do not understand it. A good many of us have been in conference with the Senate on a good many occasions, and a good many of us have sat around the conference room for hours while the Senate conferees were trying to contact the sponsor of amendments which were in controversy in the conference committee. Not so in this case. The sponsor of this amendment was not a member of the conference committee. He was temporarily absent from the city. He returned to the city the night of the conference and could have been consulted in respect to his wishes.

I am a little chagrined because of the rapidity with which the Senate yielded on its own language. There was every reason to believe that the Senate language decontrolling the Chicago residential and apartment hotels would stay in, because the same Member of the other body who offered the amendment this year decontrolling the residential and apartment hotels in Chicago offered the amendment successfully last year which kept them under control. He did it because, as he argued, there are something over 12½ percent of vacancies in the Chicago residential and apartment hotels at the present time, and undoubtedly there was not any goodly number of vacancies a year ago when he offered the amendment to keep them under control.

You will recall that the language of the 1949 Housing and Rent Control Act provided that apartment and residential hotels as distinguished from transient









gested by the "watchdog committee" as adequate for this year's programs.

Last year I suggested that ECA was asking for more money than it would need for certain commodities. Among these was food. In this category I suggested that possibly \$125,000,000 could be saved. In reply the ECA said:

The net effect of such a cut (\$125,000,000) would be an absolute decline in the consumption levels of bread grains, fats and oils and sugar, which would lead to the reimposition of food rationing in some countries and to a reduction in the present ration scale in others.

The ECA in its estimate last year estimated the total dollar import requirements of the participating countries at \$1,036,000,000 for food from the United States during fiscal 1949-50. The estimate now before us, based on 8 months' experience, places this figure at \$626,500,000, or a reduction of \$410,000,000.

It becomes apparent that at least \$125,000,000 was saved in this category alone, and there have been none of the dire results with respect to food consumption contemplated by ECA as quoted above. In fact, ECA now says, and I quote:

The diet of western Europe has improved sharply, both in quantity and quality, since 1947 and is now back virtually to the prewar levels. The consumption of fruits and vegetables has expanded substantially as has that of fats and oils, dairy products, and meat. \* \* \* The largest gains over 1947-48 were made by bread grains (42 percent) and sugar (40 percent) which rose from 69 to 98 and 77 to 108 percent, respectively, of prewar.

From my personal observation I can attest to the greatly improved diet and food consumption of the people of western Europe. Her agricultural production is approximately equal to prewar. The statistics before us also indicate impressive industrial recovery and show that Europe today, excluding Germany, is producing at a rate 29 percent above prewar. It would seem to me that this record indicates recovery has been achieved, yet we know that much of this recovery depends on some continued aid. This brings me up to the question we are now faced with. How much is it necessary for us to appropriate for the next fiscal year?

The things we need to know in order to determine how much should be appropriated for European recovery for the next fiscal year are not contained in the volume full of statistics which the Appropriations Committee has before it. The answer to the problem confronting us cannot be found today by comparing calories, bushels, tons, bales, and barrels for 1951 against 1950 or for Austria against Sweden.

The problem of determining the right amount of European aid is considerably different today from what it was at the beginning of the program 2 years ago. When people were near starvation one could calculate requirements for calories, translate them into dollars, and feel some confidence that he had the answer. When factories were idle, he could make an estimate of the quantities of copper, coal, and machinery to get them into operation, and he was proved correct if

the result was that the factories got into operation. So long as feeding the hungry and getting idle machinery to operate were the immediate objectives, the job of estimating the money needed was relatively simple.

My point is that today those objectives have been reached, and that the problem of determining how much money it is necessary for us to supply for an economic-aid program for Europe is much more difficult.

The ECA recognizes that it is confronted with a changed situation, and its request for 1950-51 has been arrived at by cutting last year's amount of country aid by 25 percent and then reducing the sum further by certain savings from the 1949-50 program. This total has been divided up among countries and commodities with various individual adjustments. But the basic fact is that the over-all amount was arrived at by reducing the 1949-50 figure by 25 percent.

The ECA does not explain in detail how this 25 percent figure was arrived at, or why it was not 35 percent or 40 percent instead. Undoubtedly, a major factor was the unexpected progress in European production which had been made in the last year. When European industry is producing more than before the war, and European agriculture almost as much as before the war, the need for economic assistance has clearly diminished. I suspect that another factor which entered into the calculations in arriving at this 25-percent reduction was a judgment as to what the taxpayers of the United States would be willing to spend. The 25 percent figure was arrived at last autumn, and it is possible that a different judgment as to what we can afford to spend for European economic aid might be made today.

At any rate, my argument is that the ECA has not this year based its request on a target of mouths to feed or of idle factories, but it recognizes that money is necessary to carry forward its program toward objectives which are exceedingly difficult to translate into dollars. Translation has been made by a very simple device—a 25 percent cut. The thing that is really important, it seems to me, is not how the \$2,657,000,000 which ECA is requesting is divided among countries or commodities, which is what the ECA presentation is concerned with, but why Europe needs 25 percent less than last year, rather than 50 percent, or 40 percent, or 15 percent less.

I have said that it is more difficult to estimate the requirements for European recovery in 1950 than it was in 1948. The answer that has been given to every proposal in the past for a substantial reduction in the ECA appropriation has been that it would wreck the program. Let me ask the Senate to consider what wrecking the program might mean. Certainly in view of the level of economic activity in Europe today, no one can argue that a further cut of ECA dollars of 15 percent—that is, 40 percent below 1949-50, instead of 25 percent below—would transform Europe into a land of starvation, or would stop the wheels of European industry. After all, ECA dollars are a relatively small part of

Europe's total income today, Europe is well above the starvation level, and her factories are operating well above the prewar rate.

The dangers we have to meet with our dollars in Europe today are much less tangible. I suppose that most people, including Mr. Hoffman, would say that the most important thing for the ECA program to accomplish in Europe is to maintain the new spirit of hope and determination which has become manifest among the people of western Europe since the inauguration of the Marshall plan. I would agree that any cut in the ECA appropriation which would lead the people of Europe to feel that the United States no longer cared for their well-being, that we were no longer standing in their corner in the fight against communism, would be disastrous. I cannot believe, however, that under current conditions an appropriation of \$2,657,000,000 would be right in this respect, while an appropriation of \$2,200,000,000 would be wrong. Remember, Mr. President, that since 1948 we have become a party to the North Atlantic Treaty, and have embarked on a program of military assistance to Europe. Surely, the people of Europe know today that we are with them, and no item of a few hundred million dollars in economic assistance is going to alter that fact.

I believe that many people, including Mr. Hoffman, would agree that perhaps the second most important of our current objectives in Europe is to promote the economic integration of that area. Europe is not likely ever to pay its own way if it rebuilds its economy along the nationalistic lines that prevailed before the war. The only way in which Europe can make the maximum use of its resources is to develop into one big market and concentrate its production in the most advantageous locations.

The ECA proposes to make a substantial advance in this direction by establishing a European payments union, and is earmarking a part of next year's appropriation for that purpose. Nevertheless, I do not feel that much progress has been made toward industrial unification, and I feel that money is being spent unwisely in building factories in Europe to conform to programs which are essentially national in character. I commend to each member of this committee that section of the watchdog staff study entitled "An Analysis of the ECA Program" dealing with the economic unification of Europe. This report indicates that the pattern of the European steel industry has been set for the next generation, that it is not an integrated pattern, and that it has been financed with American money.

The so-called Schuman plan seems to hold much promise in this direction. The Schuman plan will not take much ECA money, however. As far as rebuilding the European steel industry is concerned, the money has already been committed.

I note that in the 1950-51 program Europe is to import about \$900,000,000 worth of capital equipment from dollar sources. I maintain that this is too much. Until Europe is organized to put



into effect a unified industrial program—which it is not today—the money will be spent to benefit national interests, and after the factories are built it is too late to integrate them. European factories are producing more than they did before the war. Let us not build any more until we know they will advance the integration of Europe.

I believe that Europe would be better off in the long run if we cut in half the ECA appropriation for capital equipment.

Probably most people, and I believe that Mr. Hoffman would agree, feel that a third major objective of our European program is to provide enough money so that no government will fall to another unfriendly to the United States. I cannot believe that at this time the political balance is so precarious that \$2,657,000,000 of United States money will keep friendly governments in power, while \$2,200,000,000 would be too little to permit us to keep the Communists from taking over France and Italy.

I concede that it is extremely difficult for anyone to estimate how many dollars it will take in 1950–51 to keep each country in western Europe from going Communist. It is extremely difficult to say how many dollars are needed in 1950–51 to unify European industry. It is extremely difficult to say how many dollars are required to maintain in Europe the spirit of hope rather than despair.

It is not my judgment that these things can be accomplished only with a sum of \$2,657,000,000 and that an expenditure of \$2,200,000,000 would make them impossible.

Unless in 1950–51 the spirit of Europe changes from hope to despair, unless the advance toward unification is reversed, and unless some participating governments are taken over by the Communists, I do not believe that anyone can charge that the program has been wrecked.

The ECA has always overestimated its requirements in the past. Last year when the watchdog staff estimated that the ECA appropriation request could be reduced by \$740,000,000, it was charged that such a cut would wreck the program. Nevertheless, this estimate of the staff proved to be almost exactly the amount which the ECA has actually used.

I propose therefore that there be appropriated approximately \$2,200,000,000 and that authority be granted to use the carry-over funds. This will provide approximately \$2,500,000,000 for the ECA programs in 1950–51. This amount is approximately 16 percent less than ECA estimates its requirements for the coming fiscal year. This is, however, the same percentage by which the ECA estimate was overstated for the present fiscal year. I am sure that it cannot be shown today that such an amount would wreck the program.

I see no reason why the reduction which I recommend would cause western Europe to lose confidence in us, or why it would hinder steps toward integration, or why it would cause any participating government to fall.

If some unforeseen crisis should appear next winter, there will be ample

time to present such problems to the Congress.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHERRY. I thank the distinguished Senator from Nevada for his forceful address based upon the analysis of the watchdog committee which was appointed to supervise and investigate the spending of ECA funds. I should like to ask the Senator if he does not feel that the report and the observations made completely justify the continuance of that committee during the life of ECA?

Mr. McCARRAN. I shall answer the Senator as follows: It has been my privilege to serve as chairman of the watchdog committee during the Eighty-first Congress. We have made very careful studies and very careful reports. Some of our reports have been put into the CONGRESSIONAL RECORD. All of them have been made to the Congress. In my judgment it would be a colossal mistake to do away with the "watchdog committee," which was established by the Eightieth Congress. Under existing conditions, the Senate may know that no appropriation is available which would continue the staff of the "watchdog committee" beyond the 30th day of June. The ECA Authorization Act, a reenactment of the 1948 act, went through Congress some months ago. The act carried a provision for the "watchdog committee," but carried nothing in the way of an appropriation. As I have said, the appropriation will end on the 30th of this month, which will leave a legally constituted committee of the Senate and House of Representatives hamstrung because we shall have no means by which we can continue with our staff. Hence there will be no means of carrying out the direction of the legislation. I think it would be a great mistake to have that situation come about.

We had some difficulty in trying to put the item into the appropriation bill. Just a few days ago the Committee on Appropriations, I think by a unanimous vote, adopted a resolution providing that the "watchdog committee" should receive its money from the contingent fund of the Senate. That matter is now pending before the Committee on Rules and Administration, and it is my fervent hope, regardless of who may be the chairman of the "watchdog committee," for the next year at least, that the item will be approved by the Committee on Rules and Administration and that the "watchdog committee" will be continued, so that it may act in accordance with the law.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McCARRAN. Certainly.

Mr. WHERRY. In the judgment of the distinguished Senator from Nevada is the amount of the proposed appropriation consistent with the staff and personnel that is needed to continue the activities of the watchdog committee?

Mr. McCARRAN. Very much so. I wish to say in that regard that the Appropriations Committee cut the item down to such a point that we had to reduce the staff, and very capable and competent members of the staff, seeing the end in sight, sought other employ-

ment. We are now going along with what might be termed a skeleton staff. It is a very competent skeleton staff. If the amount suggested by the Committee on Appropriations is approved by the Committee on Rules and Administration, we can restaff the watchdog committee and continue to do what I think is a worth-while job.

Mr. WHERRY. I thank the Senator.

#### INCREASE OF BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a conference report on House bill 6567, to increase the borrowing power of Commodity Credit Corporation, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:

"SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulation as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or mate-



rially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision of the President as to facts under this section shall be final.

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs, and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection."

And the Senate agree to the same.

ALLEN J. ELLENDER,  
SCOTT W. LUCAS,  
CLYDE R. HOEY,  
SPENCER L. HOLLAND,  
GEORGE D. AIKEN,  
EDWARD J. THYE,

*Managers on the Part of the Senate.*

BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,  
BROOKS HAYS,  
JESSE P. WOLCOTT,  
RALPH A. GAMBLE,  
HENRY O. TALLE,

*Managers on the Part of the House.*

Mr. ELLENDER. Mr. President, I ask for immediate consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Pennsylvania.

Mr. MYERS. Based on several conferences which we have had on the subject, we have come to the conclusion that it may be possible to work out a unanimous consent agreement to vote on the conference report at 4 o'clock on Monday afternoon. However, before submitting a unanimous consent request, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Holland	Millikin
Benton	Humphrey	Morse
Bricker	Hunt	Mundt
Butler	Ives	Murray
Byrd	Jenner	Myers
Cain	Johnson, Colo.	Neely
Capehart	Johnson, Tex.	O'Mahoney
Chavez	Kefauver	Robertson
Connally	Kem	Russell
Cordon	Kerr	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Leahy	Smith, N. J.
Eaton	Lehman	Sparkman
Ellender	Lodge	Stennis
Ferguson	McCarran	Thomas, Utah
Fulbright	McClellan	Thye
George	McFarland	Tydings
Gillette	McKellar	Watkins
Green	McMahon	Wherry
Gurney	Magnuson	Wiley
Hayden	Malone	Williams
Hendrickson	Martin	Withers
Hill	Maybank	

The PRESIDING OFFICER (Mr. STENNIS in the chair). A quorum is present.

Mr. MYERS. Mr. President, after making some inquiries it seems it will be impossible to reach a vote on the conference report this afternoon. I therefore make the unanimous-consent request that on the calendar day of Monday, June 26, 1950, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the motion to agree to the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation; that the time between 12 o'clock and 4 o'clock p. m. on said day be equally divided between those favoring and those opposing the report, the time to be controlled, respectively, by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Washington [Mr. MAGNUSON].

Mr. THYE. Mr. President, reserving the right to object, and I do not intend to object, I wish to say that I made inquiry in the forepart of this week as to what we might expect respecting the calendar of business for this week, and the majority leader at that time gave me quite definite information about what we had to expect, and what he hoped we would be able to accomplish before the end of the week.

I realize fully that no one can predict what the Senate will do or how

much time will be required on a legislative measure. Nevertheless, knowing that the conference report on the Commodity Credit Corporation bill would be taken up today, and not expecting more than a couple of hours of discussion on it, I canceled meetings at which I had arranged to be present this week end, and had them postponed until next week. It is not possible for me to leave Minnesota until 7:15 on Tuesday morning. That will bring me back into Washington before 2 o'clock Tuesday afternoon, providing we have flying weather that will permit us to take off in Minnesota and land in Washington.

If the vote comes on Monday afternoon at 4 o'clock I shall not be here. I regret that I cannot be here, because I am a member of the conferees on the part of the Senate who have finally signed the report. I signed it reluctantly. For that reason I should like to be present when the report is finally considered and passed upon. So if there is acceptance of a request to vote at 4 o'clock on Monday I shall regret it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. Mr. President, reserving the right to object, may I make an inquiry of the distinguished acting majority leader? In the event the unanimous-consent agreement is entered into, and I hope it will be, the conference report will then be the pending business, and, of course, will be open to debate until the Senate recesses when it is through with its business today. Is it the intention of the distinguished acting majority leader to keep the report as the pending business, or in the event there is not sufficient debate upon it today to occupy the remaining time, is it the intention to take up something else? I should like to know, because several Senators are wondering whether or not there might be a vote on something else before the conclusion of the Senate's session today.

Mr. MYERS. I can reply to the minority leader in this manner. I think there are probably sufficient speeches to be made today on the conference report to occupy the remainder of the time. If there are no further speeches, then, as we reach an appropriate hour, I think we should recess and not resume the consideration of the military-assistance bill.

Mr. WHERRY. I thank the Senator from Pennsylvania.

Mr. THYE. Mr. President, will the Senator yield for an observation?

Mr. MYERS. I yield.

Mr. THYE. It is now only 2:25 p. m. The afternoon is long. I believe it would be good business and good policy to undertake to have the speeches that are to be made, delivered this afternoon, and try to arrive at a vote on this measure before we recess this evening. There are many hours remaining before a reasonable time for taking a recess arrives. I do not believe there will be speeches on this question so lengthy that we would run into a late hour this evening before arriving at a vote on the question.

Mr. MYERS. Mr. President, should like to reply to the Senator from Minne-



sota in this manner: I endeavored to secure unanimous-consent agreement for voting at 1 or 2 o'clock on Monday, and those who are objecting to the conference report refused to enter into such an agreement, because they really believe that they needed not only the time remaining today, but a few hours on Monday to discuss the conference report. Personally I should be very happy if we could get the report out of the way today, by voting on it later in the afternoon, but I have been informed by a number of Senators that it will be impossible to secure a vote this afternoon.

Mr. THYE. Mr. President, reserving the right to object, I wish to say that some unanimous-consent agreements result in delaying the legislative work of the Senate. I have seen unanimous-consent agreements arrived at to vote at a certain hour, after which there was no Senator on the floor ready to speak on the subject involved, and the Senate was obliged to recess for as much as an hour and a half in midafternoon because no Senator wanted to take up the time to speak. That is the difficulty and the trouble with respect to arriving at unanimous-consent agreements. We arrive at them, and then we mark time, as a soldier would say, for hours without continuing discussion of the question under consideration, waiting only for the hour to vote to arrive.

I regret exceedingly that we cannot proceed with the report now. I hope we can at least pass it over until next Tuesday at 4 o'clock, by entering into a unanimous-consent agreement to vote at that time, and in the meantime consider some other measure.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MORSE. Reserving the right to object, and I shall not object, I should like to say that I have a great deal of sympathy for the point of view expressed by the Senator from Minnesota [Mr. THYE]. I should like very much to have Senator from Minnesota present not only when the vote is taken but when most of the debate on this matter takes place, because as one of the conferees, I prize very highly his point of view on matters affecting American agriculture. As he knows, I seek his counsel constantly in regard to agricultural problems, along with that of the Senator from Vermont [Mr. AIKEN].

As one who objects to voting this afternoon, I want to say to the Senator from Minnesota that I prefer not to vote this afternoon for two reasons. I have checked into the question of a roll call, and I feel that we will be in a much better position to defeat the conference report Monday than we will be this afternoon. I want to be very frank about that.

Second, I think it is going to take the week end for some of my colleagues in the Senate to be fully apprised as to the attitude of America's farm organizations in regard to the conference report. Before the week end is over I think they will hear from those farm organizations, as they are very much opposed to the con-

ference report, because they feel that great damage would be done American agriculture if the report were adopted. I quite agree with the farm organizations. I would have no objection if a unanimous-consent agreement could be worked out with the acting majority leader to vote on Tuesday at 4 o'clock, with the understanding that on Monday we take up some other measure, beginning at 12 o'clock noon, and devote our time on Monday to it, and then vote on the conference report on Tuesday afternoon at 4 o'clock. But I have no jurisdiction at all in that matter.

I am satisfied that if the intention is to have the conference report voted on this afternoon the debate which will occur will be so prolonged that it will not be possible to reach a vote on the conference report this afternoon, because I think a serious mistake has been committed in the conference report. In my opinion, those of us who are doing what we can to protect the best interests of American agriculture must make a complete record on this particular conference report, because I believe the language of the conference report is worse than nothing on this subject matter. I think we should go back to the Magnuson-Morse amendment and to the language of the House bill.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WILLIAMS. I join the Senator from Oregon in saying that I feel reasonably certain that there is not enough time left this afternoon to debate this matter as it should be debated. I am agreeable to having the vote on the conference report taken either on Monday or on Tuesday, but I do know that there are quite a few points which should and will be brought out in the debate on the floor of the Senate.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. THYE. Mr. President, I have asked to be recognized in order that I may comment on the remarks of the very able junior Senator from Oregon [Mr. MORSE]. He said the farm organizations are very unhappy about the conference committee's report relative to what we call the Magnuson amendment. I personally stated earlier that I myself was very unhappy about the conference report, and I signed it very reluctantly. But after I learned that it was utterly and absolutely impossible to obtain any agreement from the other branch of the Congress, the House of Representatives, as to the inclusion of different language in the conference report, I finally agreed to sign this conference report, because it already is late in the season; today, is June 23, and the combines are in operation in the Southwest, and the harvest is moving north, and the entire Commodity Credit Corporation's program is awaiting the final action on this matter. Every day we delay action on this piece of legislation, that much later will be the final report, coming from the Commodity Credit Corporation, which gives the farmer any assurance of what his support program for this year will be.

It was for that reason—because of the lateness in the year and the positive knowledge that the House of Representatives would not yield to us—that I finally agreed to sign this particular conference report, but I did so most unhappily.

I wish to say that every day we delay the enactment of this measure, we are creating a greater confusion in the agricultural areas of the Nation, because of the lack of a form-support-program announcement.

Mr. MAGNUSON. Mr. President—

Mr. MYERS. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, reserving the right to object, I merely wish to assure the Senator from Minnesota that there is no disposition on the part of those of us who support the amendment to delay this matter. We appreciate the necessity of having something done about the conference report by the end of the month. However, we feel very strongly about the amendment. We think it is very greatly in the interest of the agriculture of the United States, and we want to make the fight on that basis.

I was merely going to suggest to the acting majority leader that if it were possible, if some other proposed legislation could be taken up on Monday or even during the remainder of today, without having a vote on it, then perhaps we could vote on the conference report on Tuesday at 4 o'clock—setting the conference report aside until then. If that decision were reached, we could then either vote up or vote down the conference report at that time. Of course, the report must be adopted by the end of the month.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. I think that the proper procedure—and I am sure the acting majority leader will agree—is to attempt to have favorable action taken on the proposal to have the vote on the conference report taken on Monday afternoon. Certainly I could not agree to the suggestion of the Senator from Washington that the conference report be set aside and that the Senate take up some other measure, in view of the fact that an announcement was made, as all Members of the Senate know, that the business before the Senate this afternoon would be the conference report on the Commodity Credit Corporation bill.

Of course, whenever an attempt is made to obtain a unanimous-consent agreement, it is very difficult to satisfy everyone. However, if Monday is not satisfactory, then I certainly would suggest that the acting majority leader make a proposal to have the vote on the conference report taken some time later next week.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WILLIAMS. The impression seems to have been created that we are operating against a deadline, so far as this measure is concerned—a deadline



of June 30, or some such date. However, Mr. President, there is no deadline so far as the adoption of this conference report is concerned. There is no reason in the world why the Secretary of Agriculture has not already announced his 1950 wheat program, unless he arbitrarily sees fit to hold it up in an attempt to force Congress to adopt this conference report. If any farmer in the Midwest or elsewhere is having any trouble in getting his loans, I wish he would tell us about it, because there is absolutely nothing which prohibits the Secretary of Agriculture from taking care of all the farmers in this matter; and certainly they should be taken care of, regardless of whether we as individual Senators agree on the law which is now on the statute books.

I am not going to object to the proposal to postpone the vote on the conference report until Monday; but I do not wish the Senate to be under the misapprehension that a deadline is involved, or to operate under any alleged threat from the administration that there is a deadline which much be met or otherwise the agricultural program will be sabotaged.

The Secretary of Agriculture has ample funds now on hand to carry out his announced programs and I will discuss this phase further Monday.

Furthermore I call particular attention to the fact that this Corporation which is seeking another \$2,000,000,000 has still not submitted their audited reports to the Congress for their operations during the period since June 30, 1947. And as I pointed out last week, the Corporation as of June 30, 1947, found it necessary to write off over \$96,000,000 in order to balance their books.

So far as I am concerned those books for the years 1948, 1949 are going to be delivered to the Senate before they get another dime.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. THYE. The Senator from Delaware has said there are ample funds, and that there is no reason why the Secretary of Agriculture cannot announce the program. The Senator is correct, in that the funds available are ample to permit announcement of a support program for wheat, and possibly to permit announcement of a support program for some of the other basic commodities which may come to harvest early in this particular calendar year.

However, let us remember that the diversified farmer and the other type of farmer—as distinguished from wheat, cotton, or corn farmers—have just as much right to the Commodity Credit Corporation funds as any other groups of farmers do. If the Secretary of Agriculture were to obligate all the present funds to the crop now coming on—in other words, the crop now in harvest—there would be no funds left to support poultry, pork, dairy products, citrus fruits, or some of the other nonbasics.

I think the Secretary of Agriculture has in mind that when he announces the program, he must know whether he has sufficient funds to go through with

it in regard to the perishables or the nonbasics, as well as the basic commodities, the price of which by law the Secretary of Agriculture is mandatorily bound to support.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Pennsylvania? The Chair hears none.

Mr. WILLIAMS. Mr. President, I should like to reply to what the Senator has just said, but before doing so, I have no objection to having the unanimous-consent agreement entered into.

The PRESIDING OFFICER. Does the Senator reserve the right to object?

Mr. MYERS. Mr. President, is the unanimous-consent request agreed to? If it is, I shall then be happy to yield to the Senator from Delaware for the purpose of making the reply.

The PRESIDING OFFICER. The Chair has not finally announced that it was agreed to. Does the Senator from Delaware object?

Mr. WILLIAMS. I do not object.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the unanimous consent entered into.

The unanimous-consent agreement, as reduced to writing, is as follows:

*Ordered*, That on the calendar day of Monday, June 26, 1950, at the hour of 4 o'clock p. m., the Senate proceed to vote, without further debate, upon the question of agreeing to the conference report on the bill (H. R. 6567) to increase the borrowing power of the Commodity Credit Corporation.

*Ordered further*, That the time between 12 o'clock and 4 o'clock p. m. on said day be equally divided between those favoring and those opposing the report and controlled, respectively, by Mr. ELLENDER and Mr. MAGNUSON.

Mr. MYERS. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I merely desire to say, in reply to what the Senator from Minnesota has just said, that the Senator from Minnesota was pointing out the fact that the combines are now operating in the Midwest, and that the farmers there were going to be confronted with a serious problem.

Mr. THYE. If the Senator will permit a correction, I did not refer to combines operating in the Midwest, but in the extreme Southwest.

Mr. WILLIAMS. The extreme Southwest is what I meant. The farmers of that area will not be up against any problem at all, if the Secretary of Agriculture will carry out the instructions of the Congress and will administer the law, for which he has the necessary money available. The only reason in the world why he would place any farmer in an embarrassing position today is because he wants to put a little pressure on Congress to give him this \$2,000,000,000 increased borrowing power.

#### ENLISTMENT OF ALIENS IN REGULAR ARMY

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army, which were, on page 1, line 5, strike out "1951" and insert "1953"; on

page 1, line 6, after "enlistments", insert "or reenlistments"; on, page 1, line 7 and 8, strike out "ten thousand" and insert "two thousand five hundred"; on page 1, line 8, after "unmarried", insert "male"; on page 2, line 4, after "determine", insert "; *Provided*, That persons enlisted under the provisions of this Act shall be integrated into established units with citizen soldiers and not segregated into separate organizations for aliens"; on page 2, line 17, strike out "1951" and insert "1953", and on page 3, line 3, after "shall", insert "if otherwise qualified for citizenship, and after completion of five or more years of military service, if honorably discharged therefrom."

Mr. LODGE. Mr. President, this is a Senate bill which was reported unanimously by the Armed Services Committee of the Senate. It was passed by the Senate unanimously. The purpose of the bill is to authorize the enlistment in the Army of 10,000 selected aliens. The House took the Senate bill as reported by the Senate Armed Services Committee, but reduced the number from 10,000 to 2,500. It was then passed by the House, yesterday.

Let me say that the bill is strongly desired by the Chief of Staff of the Army, which is due to the fact that World War II proved that it is vitally necessary that we have within the ranks men who understand the languages, customs, people, terrain, and weapons of different nations. I know of no objection to the bill. The change from 10,000 to 2,500 has the approval of the chairman of the Armed Services Committee, the Senator from Maryland [Mr. TYDINGS], with whom I have consulted. I therefore move that the Senate agree to the House amendments.

The PRESIDING OFFICER. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, the Senate now has under consideration the conference report agreed upon by the conferees appointed by this body, on H. R. 6557. I may say the House has already adopted the report, and it is now up to the Senate to do likewise, in order that the bill may be sent to the President for his signature.

I thought it might be advisable at this time for me to give a brief history of the amendment to section 22 of the Agricultural Adjustment Act, as it has been made part of the report we are now considering. It will be recalled that the Senate adopted the House version of the bill and added to it the so-called Magnuson-Morse amendment, which seeks to amend section 22 in three respects. Under section 22 of the present law, whenever the President has reason



to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and such quantities as to render or tend to render ineffective, or materially interfere with, any farm program, he may require the Tariff Commission to investigate the matter and, upon the finding of that Commission, he may decide under that section whether to increase the tariff, or impose a quota on goods being imported into this country.

The Magnuson amendment, in the first instance, changes that portion of section 22 and places the responsibility on the Secretary of Agriculture to initiate these proceedings. Second, instead of having the Tariff Commission make the final investigation, as is now provided by the law, the Magnuson amendment would make it read so that the Department of Agriculture would investigate the matter and make all findings and reports to the President.

The third and most important change is with respect to subsection (f) of section 22 of the present law.

Subsection (f) provides specifically that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreements to which the United States is or hereafter becomes a party. The significant change made by the so-called Magnuson amendment to that particular subsection (f) is that it reverses the order, in that it provides that no international agreement may hereafter be entered into or present agreements extended beyond their termination dates which do not reserve the right of this country to invoke section 22 whenever the President decides to do so. That is the distinction between the present law and the provisions of the Magnuson amendment. The House did not pass upon that issue.

We went into conference, and of course met with strenuous opposition to the Magnuson amendment on the part of the House conferees. We met on two occasions, and finally came to an agreement. It is true that the Senate conferees did not get all they sought, but I believe that some progress has been made toward carrying out the policies and protective provisions of section 22 of the present law. The conferees agreed to reenactment of the present law, with two changes. Instead of the President's initiating the investigation as to whether goods should be prevented, under the provisions of section 22, from coming into the United States, the Secretary of Agriculture is to initiate the inquiry, the same as is provided in the Magnuson amendment, with the addition that after the Secretary of Agriculture makes his finding he shall so advise the President, and if the President shall agree that there is reason for such relief, the President is required to cause an immediate investigation to be made by the United States Tariff Commission to determine the facts.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Has the Senator seen the letter sent out by the American Farm Bureau Federation relative to section 22?

Mr. ELLENDER. I may state to the distinguished Senator that I have received many letters, but I do not recall that particular letter.

Mr. THYE. If the Senator will yield, I should like to read one paragraph of the letter, because it is relevant to the remarks which the Senator has made with reference to the entire question.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD at this point. It is a letter addressed to me by Mr. J. Don Parel, associate director of the Washington office of the American Farm Bureau Federation.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, it is so ordered.

The letter is as follows:

AMERICAN FARM BUREAU FEDERATION,  
Washington, D. C., June 15, 1950.  
Hon. EDWARD J. THYE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR THYE: In compliance with your request concerning the views of the American Farm Bureau Federation relative to the conferees' action on section 22 of H. R. 6567, they are as follows:

Section 22 was designed to protect United States agriculture from imports when such imports would cause undue hardships to domestic producers of like commodities.

The proposed conference amendment to section 22 does not accomplish the original objective of section 22 to which we are committed by American Farm Bureau Federation resolution.

If the Congress accepts the conference report, the situation will be improved if the legislative history includes an interpretation of the conference amendment showing it was the intention of the Congress that under the conference amendment section 22 could be invoked when acreage allotments, marketing quotas, or marketing agreements are in force with regard to any agricultural commodity or when surpluses of agricultural commodities are being used for school-lunch and other domestic-consumer programs.

Sincerely,

DON PAREL,  
Associate Director, Washington Office.

Mr. THYE. Mr. President, the last paragraph of the letter covers the main question. It reads as follows:

If the Congress accepts the conference report, the situation will be improved if the legislative history includes an interpretation of the conference amendment showing it was the intention of the Congress that under the conference amendment section 22 could be invoked when acreage allotments, marketing quotas, or marketing agreements are in force with regard to any agricultural commodity, or when surpluses of agricultural commodities are being used for school-lunch and other domestic-consumer programs.

Mr. ELLENDER. Mr. President, in the course of my remarks I shall bring out that point. I believe, as the letter states, that the language contained in the conference report is an improvement on the present law. Under the present law it is optional that the President continue the safeguards that are contained in article XI of the general agreement on tariffs

and trade, but this new language makes it obligatory on him to incorporate these safeguards in any future agreements or amendments to existing agreements.

Mr. THYE. If I may ask a further question of the Senator, if that becomes mandatory on the President, then why was the Magnuson amendment emasculated in the manner in which it was?

Mr. ELLENDER. I may state to my distinguished friend that we were dealing in conference; we dealt with House Members who had not considered this proposal, and they made us a proposition which we accepted. I think it is a decided improvement on the present law.

Mr. THYE. As the Senator so well knows, I was a member of the conference committee, and the Senator knows as well as I do that we did not yield until we felt that every effort on the part of the Senate conferees had been exhausted. Some of us felt it was useless to debate it any longer, and we either had to report that we were in disagreement or we had to sign what we had before us and report it to the Senate. I was most unhappy when I signed it, because I felt we were suggesting to the President what we hoped he would do, but I did not feel that we wrote anything into the law which made it mandatory on the part of the President to do something. That is why I read the paragraph from this letter, so as to make certain that the very able Senator from Louisiana would agree specifically that what we, as members of the conference committee and Members of the Congress, want, so far as the Senate is concerned, is the application of the very position stated in the letter from the American Farm Bureau Federation. That is what we expect of the President and what we expect of the officials of the Commodity Credit Corporation, including the Secretary of Agriculture. What we hoped for and what the Magnuson amendment intended, was to do that which is stated in the paragraph of the letter which I read.

Mr. ELLENDER. I propose to discuss with the Senate a little later the provisions of the general agreement dealing with the very subjects to which the Senator has referred. It makes it obligatory on the President when negotiating new agreements or changes in existing agreements to include the pertinent provisions now contained in GATT.

Mr. President, just before I was interrupted—

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. I thank the Senator for yielding to me. I realize that he yielded for more than a question. He permitted me to speak my real thoughts and convictions on the question.

Mr. ELLENDER. I was very glad to yield to my distinguished friend from Minnesota.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. I shall not get into a discussion with the distinguished Sen-



ator from Louisiana with reference to this amendment, because I appreciate the problems of the conference, and I appreciate the fact that the objective sought by the change of the amendment was somewhat along the lines of the original agreement, but I hope that before we are through with the discussion the Senator from Louisiana will discuss the practical angle. Experience has taught us many times that with the processes which are now in effect, by the time we get around to achieving any action on the matter the damage has already been done.

Mr. ELLENDER. As I understand the Magnuson amendment, it is not retroactive; it applies to future agreements.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. The conference report on the pending bill also applies to future agreements. It prohibits the President from entering into agreements which do not permit the imposition of quotas under section 22 to the extent permitted by article XI of the United Nations general agreement on tariffs and trade, or which do not permit increases in duties under section 22 to the extent permitted by article XIX of such general agreement. Today, in entering into new agreements, he can disregard the policy of articles XI and XIX entirely, or he can further limit their scope. We have provided that the President must in the future make international agreements in accord with the exceptions that are contained in articles XI and XIX of the general agreement on tariffs and trade. I am saying to my friend that this is, to my mind, an improvement on what we now have, because as I have indicated, under subsection (f) of section 22 he can bypass section 22, but we are making it obligatory on him to continue the safeguards of articles XI and XIX in the future.

Mr. MAGNUSON. Of course, the Senator from Louisiana appreciates that it has been bypassed on many occasions.

Mr. ELLENDER. For the reason that subsection (f) of section 22 gave him full authority to bypass it. He could use his own discretion in entering into trade agreements. However, Congress is telling him, "You must make future agreements which are consistent with the policy of articles XI and XIX of the general agreement on tariffs and trade."

The questions anticipated a little what I was going to say. Now that we are on the subject I may as well discuss it. As I tried to indicate, the agreement reached by the conference committee leaves section 22 as it is now written with two exceptions, one exception being that the Secretary of Agriculture is made responsible for initiating action instead of the President. After the Secretary comes to a conclusion, he advises the President, and if the President agrees with the Secretary the President proceeds, as now provided under section 22, to have the Tariff Commission investigate the facts and make a finding.

I come now specifically to what may be termed the meat in the coconut. I refer to subsection (f).

Mr. THYE. Mr. President, will the Senator yield at this point?

Mr. ELLENDER. I yield for a question.

Mr. THYE. This is the language which is in the report. It says:

The Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission.

I am afraid of that "if," and I was afraid of it at the time I reluctantly signed the conference report. It says, "if the President agrees." The President may not agree. He has what might be called a mile of latitude in the word "if." That is what I was concerned about when I reluctantly signed the conference report.

Mr. ELLENDER. As the Senator knows, the Secretary of Agriculture is an appointee of the President. He acts under the President, and the President in the past has been given discretionary powers over the entire executive department. That is really the reason for the language. We cannot make it obligatory upon the President to carry out the recommendations of the Secretary.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. I should like to ask the distinguished Senator if it is not a fact that the conference committee had the feeling that the provision as incorporated in the conference report, which required the Secretary of Agriculture to take affirmative action by making a report of a threat to the agricultural economy of the Nation, or any particular portion thereof which was under a support-price program, would itself bring a greater guaranty to American agriculture than would anything in the present law.

Mr. ELLENDER. Yes; and that action would be taken. That is correct.

Mr. HOLLAND. Will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. HOLLAND. Is it not a fact that it was the view of the conferees—I believe it was the unanimous view of the conferees—that agriculture would receive much greater protection by having a positive, affirmative requirement that the Secretary of Agriculture, when there was a threat, must take action and would take action, than to have, as under the present law, no such requirement, in which case there is no assurance of initiating any action whatsoever?

Mr. ELLENDER. The Senator is correct. That is absolutely true.

Mr. HOLLAND. Therefore it would be much more likely that the President would take action in requiring the investigation by the Tariff Commission—

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Since the Secretary of Agriculture had taken official action to protect an official program existing under a law of the United States and supported by appropriations made by the Congress of the United States?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Is the Senator still of the opinion that that one provision brings about a much more effective initiation of the program than that embraced in the present law?

Mr. ELLENDER. Exactly. It is an improvement on what we have.

Before I was interrupted—and I do not mind interruptions—I was about to discuss subsection (f) in the light of the way it was changed in conference. It will be noted that the language of subsection (f) of the present law has not been changed. In other words, it says:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

That language is also in the amendment agreed upon in conference.

However, we have added this significant language, which in my opinion is also an improvement over what we have under the law at the present time. Let us not forget that, although the President has the power under the general agreement on tariffs and trade, to take certain action under section 22 when we have a surplus and when we have a production control program, the President could, under the present language of section 22, give up such power in a future agreement. This new language makes it mandatory that the President continue the present conditions of the general agreement under which we can now invoke section 22. I will read it:

But no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable.

In other words, under the general agreement, article XI, we have this provision:

1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

That is the general provision in article XI of the general agreement on tariffs and trade. However, to that general provision there are exceptions. Let me read one:

2. The provisions of paragraph 1 this article shall not extend to the following:

(c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—



I invite the attention of Senators to this part—

to restrict the quantities of the like domestic product permitted to be marketed or produced.

In other words, if we have in this country today marketing agreements or, as we have on cotton, acreage controls, the President can impose quotas under the section 22 upon the importation of the commodity which is subject to such agreements or controls. This rule applies to any commodity on which we have an effective marketing quota or acreage reduction. Section 22 can be invoked in those cases.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield for a question.

Mr. THYE. What would be the situation so far as powdered eggs coming in from a foreign country are concerned, or with respect to dairy products? Perhaps we could refer to apples, or potatoes. Of course potatoes would be under an acreage allotment or marketing agreement. However, so far as apples are concerned, that would not be the situation, because there are no marketing agreements on apples.

Mr. ELLENDER. As I understand the provisions which I have just read, their intent is that these sections apply in cases where we have marketing quotas or some other effective production control. With respect to eggs, we do not have an effective marketing or production control. Therefore, the provisions of article XI which I have read do not apply. However, where we do have production controls, as in the case of cotton and corn, those provisions would apply.

Mr. MAGNUSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Washington.

Mr. MAGNUSON. Of course, the effect of the conference report, as I interpret it, is to substitute article XI for the provisions of section 22.

Mr. ELLENDER. Let me state to the distinguished Senator from Washington that the point is that the general agreement on tariffs and trade, because of the exceptions I have just read, allows section 22 to be fully effective, if there are in effect, as I have stated here, marketing or production limitations.

Mr. MAGNUSON. And if the State Department would carry them out.

Mr. ELLENDER. Oh, no; I beg the Senator's pardon. That is the law now. But if the Senate should agree to the conference report, it will make it obligatory on the State Department and on the President not to exclude these provisions in any future agreement, as they can now do.

Mr. MAGNUSON. Let us get this straight; not to refrain from violating section 22, but not to violate the provisions of article XI.

Mr. ELLENDER. That is correct; he must keep the present relationships between section 22 and the general agreement in effect.

Mr. MAGNUSON. So we might as well be honest about it and repeal section 22.

Mr. ELLENDER. No. I state with all the emphasis in my power that as I understand the report, as to matters which can be dealt with under articles XI and XIX, section 22, under the terms of the conference agreement, has the same force and effect as it now has. Of course, we have to have an effective marketing or production control on the commodities involved, or come within some other permissive provision of article XI or XIX, before section 22 can be invoked.

The reason why the Senator is a little troubled is, I believe, because we cannot have an effective production control for apples, let us say, unless the apple trees are cut down. We face the same problem in imposing effective control of the production of eggs. As to those commodities, it may not be possible to have effective controls.

Thus there may be a question as to whether or not article XI applies. But I again state and emphasize that as to all commodities which can be effectively controlled, either through marketing quotas or through production controls, the operation of section 22 under the general agreement on tariffs and trade can be made as effective as it now is. Does the Senator disagree with that?

Mr. MAGNUSON. No; I do not disagree with that; I say it can be, but if my amendment had been retained, we would have been assured it would be.

Mr. ELLENDER. I am pointing out to the distinguished Senator that the same language which he proposed in his amendment has been incorporated in the conference report. Let me read it again to the Senator:

No international agreement or amendment to an existing international agreement shall hereafter be entered into—

The same language the distinguished Senator used—

which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable.

Certainly the distinguished Senator will not deny that article XI of the general agreement on tariffs and trade provides:

The provisions of paragraph 1—

Which I read awhile ago—  
shall not extend to the following—

And what is included in the "following"?—

(c) import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level.

Referring to the furnishing of school lunches and measures of that character.

In other words, whenever we have surpluses of certain commodities which are being removed from the market by the Government or on which effective production controls in effect under the general agreement on tariffs and trade would allow section 22 to be invoked.

Mr. President, what we have written in the conference report is that the President shall in the future consider the policies set out in articles XI and XIX of GATT, and he shall not enter into any future agreement unless the policies of those provisions are carried out therein. In other words, he cannot disregard them, as he could do under the present law.

Mr. President, I should also like to point out that the new subsection (b) does not prevent the President from entering into agreements that prescribe lower rates of duty than are prescribed in the general agreement for the same articles. However, the new subsection (b) does require that such agreements contain an escape clause similar to that contained in article XIX of the general agreement. This is made clear in the last sentence of the new subsection (b).

Mr. President, I wish to say, in conclusion, that I think the Senate conferees have discharged their duty well, especially in view of the fact that, as the Senator from Minnesota will remember, when we walked into the conference the first thing the conferees from the House said was, "We want our bill as written. We do not want the so-called Magnuson-Morse amendment." It was up to us then to battle with them. We discussed the matter on the first day for quite some time, and I could see that, with the Magnuson-Morse amendment in the bill as written, there would be no chance at all to have the House agree.

The first thing Mr. SPENCE, who represented the House, said was, "I have it from good authority, unquestionable authority, that if the Magnuson-Morse amendment remains in the bill the President will veto the bill."

Mr. THYE. Mr. President, will the Senator yield at that point that I may support the Senator's statement?

Mr. ELLENDER. I yield.

Mr. THYE. I address my remarks to the able Senator from Washington [Mr. MAGNUSON], as well as to the Senator from Louisiana. When we were in the conference, while we studied the overall question of the amendment the first day, and likewise into the second day of conference with the House Members, we, as Senate Members of the conference, definitely recognized that we were not going to get House concurrence in the amendment as it was written. As the Senator from Louisiana stated, if that amendment as it is drawn, were to remain in the Senate bill, we could expect a Presidential veto. I wish to state again that it was for that reason that I, as one of the conferees, signed the report.

If the Senator will allow me, I should like to make a further remark. I regret that I shall not be present on Monday when the vote comes on the question of whether the conference report shall be adopted or rejected. A unanimous-consent agreement has been reached for



a vote on the report on Monday. I shall not be able to return from the State of Minnesota for that vote on Monday. I stated earlier that I had changed my schedule so as to be present today. After having changed my schedule I now find that we cannot have a vote on the measure today, but that the vote will be taken on Monday, when I cannot be present. Were I present—and that is the reason for these remarks now—I would vote for and I would ask the Senate to adopt the report as it is written. I do not believe—and I say this in all sincerity—that we could obtain any better language than appears in the report as it is now written. All that can be done is to delay for several more days the enactment of this proposed legislation, which would delay the final announcement of a farm-support program to the farmers. I think it would not only be a mistake but a catastrophe if that announcement were delayed many days, because it is already late. It is for that reason that I am announcing now that were I here on Monday I would ask the Senate to adopt the report as it is written.

In event there are any mistakes, as it may seem to us, made by the Secretary of Agriculture and by the President in administering the provisions of this proposed act, we will be back in session at the beginning of next year and we can deal with the question at that time again.

I should like to say to the very able Senator from Washington I fully realize his disappointment. I am disappointed. But I realize that when we are up against a stone wall which we cannot very easily hurdle and we know we cannot hurdle it, we had better make the very best of it, rather than delay the whole farm program in an attempt to send the report back for another conference with the House conferees.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. Neither the Senator from Oregon nor I want to delay this matter. It is important to announce the farm program as soon as possible. I appreciate that. But, in my opinion, the truth of the matter is that this is something which is of far greater importance for the future of American agriculture under the present Government-support system. The State Department, the reciprocity committees, and the Tariff Commission are now in the process of forming their lines for conference in England in the latter part of August, I believe, for the negotiation of new trade agreements. Most of those agreements will run for 3 years. Most of the agreements now being renegotiated are of vital importance to American agriculture, because they involve countries which are themselves engaged in the production of agricultural products similar to our own.

I think it is vitally important that the State Department know, not only the intent of Congress, but the extreme necessity of making the new trade agreements in such a way that they will fit into our Government-support program. Had my amendment been in the law we would not have had the potato scandal we had

last year. We would not have had a situation which makes people wonder why it seems that we support prices out of one pocket and then allow the State Department to negotiate agreements which might be injurious.

I appreciate the problem the conferees had. The Senator from Louisiana said that last year the Senate adopted the same amendment to the Anderson bill by a vote of, I believe, 54 to 22. The Senator from Louisiana is correct in stating that the President of the United States at that time said to the congressional leaders, and to me, I might say, that if the Anderson bill contained the amendment he, the President, would probably veto the bill. I do not know where the information comes now to the House side. Surely there has been no intimation to me now from the White House that there would be a veto of the commodity-credit bill because of my amendment.

Mr. THYE. Mr. President, will the Senator yield to me at that point?

Mr. ELLENDER. Yes.

Mr. THYE. We have had so many vetoes during this legislative session that many of us realize they come forth just as the blossoms in the spring.

Mr. MAGNUSON. I think the vetoes of the President so far have been correct. It happens that I voted against the measures he has vetoed. But I think there has been a considerable change of thinking toward this so-called approach, because since last year we have had this problem brought to the fore, it has been brought to the attention of the American public, the Department of Agriculture and the State Department, which is now in process of negotiating new agreements.

Mr. President, I do not know whether there would be another veto. However, I do not think the United States Senate should legislate or submerge its opinion on any matter because of the fact that a piece of legislation might be vetoed. If legislation is vetoed we will meet that situation when it comes. I think the matter of letting the State Department know now what we mean and what we meant by section 22 is of more vital interest to American agriculture and to our future economic agricultural stability than any other one thing we can do. That is why I am trying to have the measure sent back to conference, because the Senate has, not once but twice, decided the point. The House conferees know all about the matter. They had the matter up last year. I know we are at loggerheads. I appreciate the Senator's position with respect to the matter. The House voted on the question yesterday. The vote was about 2 to 1 against us.

Mr. ELLENDER. More than 2 to 1.

Mr. MAGNUSON. It was more than 2 to 1 against us. It is time we have a show-down on the matter.

Mr. ELLENDER. Since the distinguished Senator from Washington has raised the question with respect to the tariff agreements, let me read what Winthrop G. Brown, Director, Office of International Trade Policy, United States Department of State, had to say.

Mr. MAGNUSON. Mr. Brown is the man who has been doing all the lobbying here for the State Department against the amendment. He has a perfect right to do so. I do not object to that.

Mr. ELLENDER. Mr. President, I do not like the term "lobbying." The committee called on Mr. Brown.

Mr. MAGNUSON. I say he has a perfect right to do it.

Mr. ELLENDER. We called on Mr. Brown as a witness. We called on him to assist us in trying to bring in something that would improve the situation. I read from his testimony before the Senate Committee on Agriculture and Forestry, as it appears on page 372 of the hearings:

We do not think that it is necessary to reserve that complete unilateral right to impose quotas, because, in our opinion, in the opinion of the Department of Agriculture, we have under the general agreement the right to use quotas in the cases where we really need to do so.

That is in the general agreement, now, but it is not obligatory on the President to continue it. We are now providing that he must continue it. I quote further from Mr. Brown's testimony:

For example, the general agreement says that we would be free to impose a quota on agricultural imports in any case where we are supporting the prices of the commodity in this country and where we are restricting our own domestic production.

That is what the general agreement provides for, and since, under the present wording of subsection 22 (f), the President does not have to include that provision in future agreements if he does not want to do so, he could exclude it. But now we say "You have got to include it in any future agreement or amendment to existing agreements."

Mr. Brown said:

The basis for that agreement, of course, is that where there is a limitation on the domestic market, it is fair and right and proper that there should also be a limitation on the import.

There is also a provision in the agreement which would permit the imposition of a quota at any time where we are disposing of our agricultural surpluses, say, in the free-lunch program or under a stamp plan or any way of that kind as we, I think, are doing with potatoes today; and, finally, in the agreement it would permit the imposition of a quota or a fee at any time where the imports of the commodity were causing or threatening any serious injury to the domestic production.

All that comes about from the exceptions I have read into the RECORD on several occasions.

I read further from the hearings:

Senator AIKEN. Well, have not all three of those conditions occurred in the case of potatoes, Mr. Brown?

Mr. BROWN. Yes, sir; and we would be under the—

Senator AIKEN. Mind you, I am not saying that in a critical sense, but I noticed that as you enumerated the conditions under which quotas could be imposed, that all those conditions apparently applied to the potato crop at the present year, of the 1949 crop.

Mr. BROWN. Yes, sir. This is really a matter or legal right that we are discussing here, and that is what concerns us.

Under the agreement we would be free, as a matter of right, as it now stands and



under section 22 as it now is, to impose a quota on Irish potatoes.

Of course, it is not obligatory now to continue those conditions under which section 22 can be invoked with respect to Irish potatoes; but we will make it obligatory, under the agreement reached by the conferees on the part of the Senate and the conferees on the part of the House.

I read further from the hearings:

Senator AIKEN. The President is simply authorized, not required to do it.

Mr. BROWN. That is correct.

I say to the distinguished Senator from Washington that is the law now; and under the agreement reached by the conference committee we will make it obligatory on the President to continue it.

Reading further from the hearings, Mr. Brown then said:

But so far as what worries us is concerned, which is our international situation, the agreement which we now have and the section as it now reads, gives him the power if he decides as a matter of internal policy and procedure that he wants to do it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Would the conference report prevent the importation of pork products from Poland?

Mr. ELLENDER. Yes, if we have an effective marketing program or an effective production program.

Mr. THYE. I had occasion to obtain, on May 29, from the PMA some figures on the importation of pork products, lard and hams, particularly from Poland. It was startling to me to note that even in January 1950, and in February and March, we imported large amounts. For instance, we imported 608,000 pounds in January, 895,000 pounds in February, 595,000 pounds in March. On the other hand, our exports of lard to Poland were absolutely zero in the months of January and February, and we exported only 140,000 pounds of lard in the month of March.

If we examine the figures for the entire calendar year 1949, we find that after May 1949, we had heavy importations; but, on the other hand, the Secretary of Agriculture was announcing from time to time, as he appeared before the Senate Committee on Agriculture and Forestry, that he was positive that he would be compelled to purchase pork before the calendar year 1949 was over, in order to maintain parity in pork prices.

Let us consider the figures for the months of September and October 1949. We find that in September, 137,000 pounds of pork products were imported from Poland; in October, 182,000 pounds; and in November, when pork prices in the United States were going down every week, 220,000 pounds were imported; and in December—when we were actually in distress, so far as pork prices to the producers were concerned, the price was almost down to the support price, and some farmers were taking less than the parity price for their pork—in December, 269,000 pounds of pork and pork products were imported into the United States from Poland. On the other hand,

during September, October, November, and December we did not export any lard to that section of the world, where normally we would expect that they would be taking lard from the United States.

That is one of the reasons why the Senator from Washington [Mr. MAGNUSON] submitted the amendment. That is one of the reasons why so many of us from the diversified-farming section of the country or the section where diversified types of farming operations are conducted, are so keenly concerned.

Mr. President, I ask unanimous consent that the tabulation from which I have been reading may be printed in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

*Trade in pork and lard between United States and Poland, 1949-50*

Year and month	United States imports of pork from Poland		United States exports of lard to Poland	
	Quantity	Value	Quantity	Value
1949	<i>Thous. of pounds</i>		<i>Thous. of pounds</i>	
January	-----	-----	10	\$1,798
February	-----	-----	355	56,806
March	-----	-----	-----	-----
April	-----	-----	1,102	146,645
May	5	\$3,852	4,626	593,321
June	58	43,970	1,554	178,945
July	75	63,608	1,251	166,846
August	151	127,934	6	779
September	137	116,031	-----	-----
October	182	123,787	-----	-----
November	220	162,137	-----	-----
December	269	182,378	-----	-----
Total	1,097	823,697	8,904	1,145,140
1950				
January	608	417,077	-----	-----
February	895	643,636	-----	-----
March	595	420,103	140	16,649

Mr. THYE. Mr. President, many persons think farmers receive a benefit from the farm program, just because a high support price is announced for corn and because a high support price is announced for wheat. However, that is not true in the case of the farmers in the diversified-agriculture areas.

For instance, in Minnesota, Wisconsin, Indiana, Illinois, the eastern part of North Dakota, and the eastern part of South Dakota, the mere fact of the existence of a high support price on corn and a high support price on wheat does not mean a great deal to the farmers in those areas. In Minnesota we have 188,952 farms; but of that number, only 5,677 farms obtained a wheat loan in fiscal year 1949 or availed themselves of the so-called wheat support program. That amounted to only 3 percent of our farms. In the case of corn, 30,841 farms of the 188,952 farms, obtained a corn loan.

The rest of this great group of farmers were going to the elevators and were buying competitively, we might say, with the "seal-up" program, to obtain the mill feeds and the other supplementary feeds they need to carry on their normal production both in the poultry house and in the dairy barns and in the feed lots and in the hog yards.

In Iowa there are 238,934 farms. Only 3,829 of them, or 1.8 percent of the farms in Iowa, received a wheat loan. So the wheat program does not mean a thing to the Iowa farmers.

Among the group of Iowa farms—203,934 of them—only 59,269, or 28 percent of the farms, obtained corn loans. I am now speaking of the fiscal year 1949.

The situation in Illinois is practically the same, for in Illinois 4 percent of the farms took wheat loans, and 19 percent of the farms took corn loans.

In Indiana, only 2.6 percent of the farms took wheat loans, and 6 percent of the farms took corn loans.

In Wisconsin, only .01 percent of the farms took wheat loans, and 1.8 percent of the farms took corn loans.

So, Mr. President, in speaking about the over-all farm program and in speaking of imports, there is good reason why many of the Members of Congress—those representing the diversified-agriculture areas of the United States, such as the State of Washington, where there is a great amount of fruit production and dairying, and the States in the Midwest, such as the States of Minnesota, Wisconsin, Iowa, the Dakotas, and Illinois—will support the Magnuson amendment. In Minnesota we are in the so-called diversified-agriculture husbandry or diversified-agriculture management area, and we produce livestock and perishable commodities in connection with practically every farm operation we have.

However, we see the importation of potatoes, in competition with potatoes produced by our Minnesota Red River Valley potato growers and by the North Dakota Red River Valley potato growers. Yet the farmer is ridiculed by the consumers because the farmer is said to be receiving the benefits of the support program or because it is said there is a support program for him, and the consumer thinks the farmer is getting too much benefit in that connection; and consumers consider that, as consumers, they are being held up by the fact, as is alleged, that the farmer is getting too much for the commodity he produces—although the fact is that the farmer is not getting too much; he is only getting from 60 percent to a possible 90 percent of parity, and who would deny that to him? Yet the farmer is held up to ridicule, and the newspapers carry cartoons showing piles of potatoes deteriorating. When we read those stories; when we see potatoes imported from Canada, which importation is breaking the market of the potato grower in this country so that he must depend upon some sort of price-support program; when we see pork products being imported from countries behind the iron curtain, so to speak, while we cannot export a pound of lard or any of the other by-products of pork to countries behind the imaginary iron curtain—when we see those things, it behooves such men as the Senator from Washington [Mr. MAGNUSON], myself, and other Senators who represent the diversified type of farming in the United States, to stand on the Senate floor and say that we are unhappy when we see an amendment, which was first approved by the Senate Committee on



Agriculture and Forestry, and then adopted by the Senate and sent to conference, deleted in conference and the provision left with an "if" in it, so that if the President wishes to do this, that, or the other thing, he may do so.

I have read the figures showing the importations of pork. I have read the figures showing how much the diversified agricultural area of the United States obtain from the wheat and corn program. I have made these statements for no other purpose than to point out that we have made some mistakes in the past. The President has been a party to those mistakes. When importations of products and commodities which deteriorate or even destroy our market are permitted, and when we then must appropriate funds to support a commodity and to buy up the commodity as we were compelled to buy potatoes in order to maintain parity or near parity for the potato growers, there is something wrong. If this emasculated amendment offered by the Senator from Washington [Mr. MAGNUSON] stands, I merely want to say that we as Senators and Members of the Congress must watch the situation very carefully in the course of the next year. If we do not have full cooperation by the President and the Secretary of Agriculture in preventing imports which deteriorate and destroy our own produce and commodity prices, we shall merely have to come back on the Senate floor a year from now, or 7 or 8 months from now, to wage the necessary fight in order that we may get some sort of protection against imports which would deteriorate or destroy the diversified type of American farming in the United States.

Mr. ELLENDER. Mr. President, at this point let me call the attention of my distinguished friend to the fact that the same Congress which enacted section 22 did not enact subsection (f), to provide that no proclamation under section 22 shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party. It was only after this law was put on the statute books that it was amended to include the language I have just read to my distinguished friend.

I have said, and I repeat, that what the conference has done is, to my way of thinking, to make many of the provisions of section 22 effective, in that in future agreements, the policy of article XI from which I have so often quoted cannot be discarded as it can be now. What can happen now under the present law is that the President can agree that section 22 shall never be invoked. But the conference report requires him to continue the conditions under which section 22 can now be invoked. I think it is a decided change from what now exists.

Mr. MAGNUSON. I think it is a change.

Mr. ELLENDER. I mean a change for the better.

Mr. MAGNUSON. I should like to ask the Senator a question. What the conference report in effect does is to

substitute the provisions of article XI for section 22. Is not that correct?

Mr. ELLENDER. To some extent it does, that is correct. But what difference does it make, if the same goal can be obtained?

Mr. MAGNUSON. I think the procedure is so cumbersome that the goal never will be obtained. But here is an example of what happens: For about 2 years now I have been trying to get the State Department to act under section 22 for the tree nut industry. The Department, with whom I have had all kinds of correspondence, still continues to say that it cannot act under section 22, because it conflicts with article XI.

Mr. ELLENDER. In what way does it conflict?

Mr. MAGNUSON. I will read that tomorrow. I have the reasons given by the State Department.

Mr. ELLENDER. If the Senator will permit me, it is because there is no specific law to curb the production of the commodity to which the Senator refers. If there were an effective method by which such commodities could be marketed or the production of them curtailed, then it would come within the purview of article XI.

Mr. MAGNUSON. That is what I think. But the State Department speaks otherwise.

Mr. ELLENDER. But even if article XI remained as now written, and as the law now provides, the President could eliminate it just as he can agree that the provisions of section 22 can never be invoked. Let me further call to the attention of my good friend from Washington the fact that even if his amendment were adopted as written, it would not affect agreements now in force.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. It would affect future agreements only.

Mr. MAGNUSON. That is correct. But the reason I proposed it in that form was that we are to negotiate all our agreements within the next few months. For example, let us take the tree nut industry, which has no presently operative marketing agreement. We have never been able to get the Department to do anything about it, yet we are spending \$5,000,000 annually to support that small industry. We have never been able to place it even under a marketing agreement.

I should like to ask the Senator from Louisiana a further question, which I think will be most helpful to Senators who are not present this afternoon, but who will be here Monday. Let us take the case cited by the Senator from Minnesota, the importation of pork. I suppose those who produce pork look with some alarm upon the fact that the pork importations are becoming such, in their opinion, as possibly to injure the price-support program. They may have to apply for parity support. Under the conference agreement, just what would be the practical procedure, if there were those who wished to put this machinery into motion in the hope that the President might ultimately act to place quotas on the imports, in order to protect them?

Mr. ELLENDER. To begin with, any agreement that is entered into cannot bypass the exceptions to which I have referred on several occasions.

Mr. MAGNUSON. Suppose we have an agreement to allow so much of a given product to be imported?

Mr. ELLENDER. If there is an effective marketing agreement, or other production or marketing control, for the products, then, under article XI, section 22, could be invoked. And under this new provision the President could not sign an agreement bypassing article XI.

Mr. MAGNUSON. I understand that.

Mr. ELLENDER. We make it obligatory. It will work. Let me put it to the Senator in this way: The procedure will work virtually the same as it would under the Senator's amendment. Then we say that no future agreement can be entered into in violation of articles XI and XIX.

Mr. MAGNUSON. I should like to ask the Senator one further question. Suppose an agreement is made taking into consideration article 11, and it allows the importation of pork in certain quantities; suppose the pork raisers of America believe that they are being injured. What would be the procedure to remedy the situation under the conference-agreement recommendation?

Mr. ELLENDER. The Secretary of Agriculture would start the ball rolling.

Mr. MAGNUSON. The same as would be the case under my amendment?

Mr. ELLENDER. Yes.

Mr. MAGNUSON. What would be the next step?

Mr. ELLENDER. The next procedure would be to submit his recommendations to the President. The President would refer them to the Tariff Commission. Under the Senator's amendment, what would happen would be that the Secretary of Agriculture would initiate the proceeding and would look into the matter himself.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. That is the difference, up to that point.

Mr. MAGNUSON. Under my amendment the Secretary of Agriculture would initiate it and make a finding which would go to the President.

Mr. ELLENDER. And the President would put it into execution.

Mr. MAGNUSON. If he wished to do so.

Mr. ELLENDER. Yes; the same as it is under the Senator's amendment.

Mr. MAGNUSON. But my amendment also provides that it is mandatory under section 22.

Mr. ELLENDER. As is the case with the conference-report provision. It is the same thing. There is very little difference as I see it between the conference report and the Senator's amendment with respect to procedure.

Mr. MAGNUSON. Even now we can go through the Tariff Commission. The Secretary of Agriculture has to act first; then the President turns it over to the Tariff Commission, and then it comes back to the President for action. But all the imports are in before any action is taken.



[Manifestations of applause in the galleries.]

The PRESIDING OFFICER. The Chair warns the occupants of the galleries that it is a violation of the rules of the Senate to express approval or disapproval in any way.

Mr. ELLENDER. Let me point out to my distinguished friend that the person who finally acts is the President. So there is not much distinction between the two in that respect.

Mr. MAGNUSON. Will the Senator allow me to ask one more question to clarify the matter?

Mr. ELLENDER. Certainly.

Mr. MAGNUSON. This, again, is an interpretation of the conference report. Would not the practical effect of the conference report provision be that after the President has gone through all the steps which have been referred to he would have to consult the signatory nations.

Mr. ELLENDER. No; not immediately.

Mr. MAGNUSON. Is it the Senator's interpretation, that the President can act unilaterally without consulting the signatories to the general agreement?

Mr. ELLENDER. Yes; if delay would result in serious damage. Later, he would have to. If action to increase duties under section 22 can be delayed without serious damage, the President would consult the other signatories. As I understand it, the conference report makes no difference in that situation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Florida for a question.

Mr. HOLLAND. If the Senator will be indulgent, I should like to make some observations and use them as a basis for a question or two.

In the first place, I should like to say to the Senator from Washington, for whom I have esteem and with whose purposes in this matter I have complete sympathy, having supported his amendment, that I believe the Senator from Louisiana and the Senator from Minnesota have, if anything, understated the difficulties with which we found ourselves confronted in conference. It seemed to the Senator from Florida that the situation was so serious that it involved not just the possibility of a Presidential veto, but, what was much more important, the probability of complete failure to get anything at all in the way of needed additional powers for the Commodity Credit Corporation in the serving of the agricultural groups of the Nation. It was only after several conferences, after having called in the appropriate executive departments, both Agriculture and State, after various controversies which were a great deal warmer than those which have occurred on the floor, that the conferees felt they should make the concession on the amendment which undoubtedly was made, as the Senator properly said, in arriving at the conference report, rather than to unsuccessfully continue to insist upon the program incorporated in the Senator's amendment. The principal purpose of the bill, after all, does not directly per-

tain to section 22, which is only brought into the bill by the amendment.

I should like to bring up two or three points which I think may temper the situation greatly.

First, with reference to the potato situation, I should like to remind the Senator from Washington that the Senator from Louisiana [Mr. ELLENDER], the Senator from Illinois [Mr. LUCAS], and the junior Senator from Florida were three authors and sponsors of the amendment to the bill which recently passed the Senate, which completely terminated any question in the potato situation, so that, unless we hereafter agree upon something much more effective by way of a price-support program for Irish potatoes, there will be none.

With that predicate, so that it will appear that in no sense is the Senator from Florida, nor are the other Senators mentioned, defending or apologizing for what happened under the potato program, I should like to suggest a correction to the statement of the Senator from Washington relative to the potato debacle of last year.

The Canadian situation aggravated the potato problem, but it did not create it. The total importations from Canada last year amounted to a little less than 10,000,000 bushels, whereas the domestic surplus was, as I recall, about five times that amount.

Again I say I do not defend or apologize for the bringing in of any Canadian potatoes, because I do not know why they should have been allowed to be brought in to further complicate the picture.

The second thing I should like to observe, if I may, is that the reciprocal trade program is far wider than the price-support programs under the Agricultural Adjustment Act. In my State, for instance, there are very few crops which have the benefit of any price-support program. We raise some cotton, some peanuts, some tobacco, and some tung nuts, and they are subject to the price-support program; but our citrus industry, which is our largest agricultural industry, and the large vegetable industries of the State and others are not subject to the price-support program. So they are much more interested in other implications of the reciprocal trade program than they are with respect to subsection (f) of section 22 relative to the reciprocal trade agreements, which applies only to the products which have price supports. They find it hard to understand why they, who do not have the benefit of governmental price supports, should not have at least as friendly treatment as that sought to be given by section 22 and by the Magnuson amendment to agricultural producers who are direct beneficiaries of Government subsidies.

May I say further to the Senator that I think it is interesting to observe not only that we were interested in conference in strengthening section 22 by the insertion of a mandatory requirement, a mandate coming down from the Congress, that the Secretary of Agriculture himself must be effective and active in this field, which provision was not in

the present law, but that we thought it was a distinct contribution and a useful addition coming out of conference, to the amendment introduced by the distinguished Senator from Washington, and we are still of that opinion. May I repeat my question? Is not the distinguished Senator from Louisiana strongly of the opinion that that change does greatly add to the effectiveness of the proposal?

Mr. ELLENDER. I do not think there is any doubt about it, as I said before.

Mr. HOLLAND. The next thing I should like to mention is that I think the Senator, while partially correct in his statement that article XI of the general agreement on tariff and trade has to a limited extent been substituted for section 22, he is in error in many respects in making such a general statement, in that many of our neighbors with whom we carry on much trade are not signatories of the general agreement. For instance, only last week an outstanding committee composed of early tomato producers of the Nation sought the help of the State Department to negotiate a reciprocal trade agreement with Mexico, which is an early tomato producer, and is a strong competitor with the early tomato producers in this country. We were advised, in the very beginning, that dealing with Mexico had to be on an entirely separate and different basis from that which would prevail in dealing with any country covered by the provisions of the general agreement on tariffs and trade; in other words, that an agreement with Mexico would not come at all under the provisions of article XI of the general agreement on tariffs and trade.

The next point that I should like to make is this. Of course, all of what I am saying is by way of trying to bring some comfort to my very good friend from Washington, because I realize he has an objective which is much greater—and the conference committee admits that it is greater—than that which is covered by the conference report. However, we do feel that we have made real progress under the conference report.

The next point that I wish to make is addressed to the fact that instead of having gotten no value heretofore for agriculture out of section 22 the conference, after considerable investigation of the subject, felt that—notwithstanding the fact that section 22 had not been as sympathetically administered as we felt it should have been—great values had nevertheless come to the agriculture of our Nation out of the administration of section 22 to date, and that they were strengthened materially in the conference report. With the thought of having in the RECORD the worth-while things for agriculture that have been done under section 22, I should like to ask the distinguished Senator from Louisiana if he would have any objection to my incorporating in the RECORD at this time—or whether he would be good enough to do so—a letter from Mr. W. T. M. Beale, Associate Chief, Commercial Policy Staff of the State Department, responding to the request of the Senator from Louisiana and my request regarding the performance with respect to cot-



ton, wheat, and flour. The memorandum on cotton it attached to the letter.

Mr. ELLENDER. I have no objection, and I cheerfully join the distinguished Senator from Florida in requesting that the material be placed in the RECORD at this point in his remarks.

Mr. HOLLAND. Therefore, Mr. President, I should like to place in the RECORD at this point a letter addressed to my distinguished friend the Senator from Louisiana, from the Department of State, written by W. T. M. Beale, Associate Chief of the Commercial Policy Staff, dated June 23, 1950, and relating in the first instance to certain action taken with respect to cotton under section 22, and also referring to certain rulings—and they were helpful rulings—which were made with respect to wheat and wheat flour under section 22. I should like to offer also a listing of the investigations made and proclamations issued thereon relative to cotton.

There being no objection, the letter and list were ordered to be printed in the RECORD, as follows:

JUNE 23, 1950.

The Honorable ALLEN J. ELLENDER,

*United States Senate.*

MY DEAR SENATOR ELLENDER: In response to Senator HOLLAND's request to Mr. Brown, of this Department, for a list of the actions currently in effect under section 22, Mr. Brown has sent a memorandum, a copy of which I enclose, to Senator HOLLAND concerning the orders in effect which establish quotas on various grades of cotton and certain cotton wastes.

For your further information the only other such actions in effect under section 22 are the annual quotas of 800,000 bushels of wheat and 4,000,000 pounds of wheat flour. These quotas became effective on May 29, 1941, under a presidential proclamation contained in Treasury Decision No. 50404. Modifications in the operation of the wheat and wheat-flour quotas which do not alter the over-all amount and which are of no great current importance are in further proclamations contained in Treasury Decisions 50609, 50863, 50983, and 51033.

Sincerely yours,

W. T. M. BEALE,

*Associate Chief, Commercial Policy Staff.*

#### UNITED STATES TARIFF COMMISSION INVESTIGATIONS ON COTTON

Under the provisions of section 22 of the Agricultural Adjustment Act of 1933, the Tariff Commission has conducted eight investigations on United States imports of raw cotton since 1939. The following summarizes pertinent data on each investigation:

##### 1. ORIGINAL INVESTIGATION

At the request of the Secretary of Agriculture, the President directed the Tariff Commission on July 26, 1939, to investigate American imports of raw cotton with a view either to raise the tariff or impose quantitative restrictions if it was found that such imports were coming into this country under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with our domestic agricultural programs. Hearings were held on August 14-16, 1939, and a report was made to the President on August 25, 1939.

The recommendation of the Tariff Commission was to establish annual country quotas on three classes of cotton, as follows: Short-staple cotton (except harsh cotton under  $\frac{3}{4}$  inch and except linters), 14,516,882 pounds; long-staple cotton ( $1\frac{1}{8}$  inches and longer), 45,656,420 pounds; and cotton waste, 5,482,509 pounds. The recom-

mendations were accepted by the President and issued in a Presidential proclamation dated September 5, 1939, and effective September 20, 1939.

##### 2. FIRST SUPPLEMENTAL INVESTIGATION

On November 20, 1940, the Chairman of the Advisory Committee to the Council of National Defense recommended to the Tariff Commission the suspension of import quotas on long-staple cotton of  $1\frac{1}{16}$  inches and longer for the duration of the emergency. The committee pointed out that this cotton was urgently needed for the manufacture of balloon and airplane fabrics but was in short supply in the United States. The Tariff Commission ordered an investigation on December 4, 1940, held hearings 1 week later, and issued a report to the President on December 13, 1940. The Commission recommended the suspension of quotas on cotton  $1\frac{1}{16}$  inches and longer. The President issued a proclamation to this effect on December 19, 1940, effective immediately.

##### 3. SECOND SUPPLEMENTAL INVESTIGATION

Until the proclamation of September 5, 1939, it had been possible for United States cotton that had been sold to Canada and rejected by the purchaser, to be returned to the United States for resale. As a result of the proclamation it was not possible to do so and apparently American cotton exporters had suffered losses. On October 27, 1941, the Under Secretary of Agriculture requested the Tariff Commission to investigate this situation. An investigation was ordered on November 12, 1941, hearings held on December 10, and a report made to the President on February 20, 1942. The report recommended the suspension of quotas on American cotton returned to the United States upon rejection by foreign importers. It was also recommended that the quota be suspended on commercial samples of cotton and cotton waste. The President accepted the report and issued a proclamation on March 31, 1942, effective immediately.

##### 4. THIRD SUPPLEMENTAL INVESTIGATION

As a result of the trade agreement concluded with Peru on May 7, 1942, it was understood that country quotas on long-staple cotton would be changed to a global quota equal to the total of the country quotas. This change would permit the United States to import the same amount of long-staple cotton despite the adverse effects of the war on certain producers. A request for this change was made to the Tariff Commission by the Secretary of State on May 9, 1942, and an investigation was ordered on May 12. No hearings were held. A report recommending the change was sent to the President on June 8 and a presidential proclamation embodying this recommendation was issued on June 29, 1942, effective July 29.

##### 5. FOURTH SUPPLEMENTAL INVESTIGATION

The Secretary of Agriculture requested the Tariff Commission to investigate the situation with regard to harsh or rough cotton under three-fourths of an inch which, as noted above, had not been covered by the President's proclamation of September 5, 1939. An investigation was ordered on September 17, 1946, hearings held on October 14 and 15, and a report issued to the President on December 31, 1946. The Commission recommended a global quota of 70,000,000 pounds on this type of cotton. A Presidential proclamation to this effect was issued on February 1, 1947, and made retroactive to September 20, 1946.

##### 6. FIFTH SUPPLEMENTAL INVESTIGATION

At the request of the American cotton-textile industry an investigation was ordered on January 23, 1947, to determine whether or not a supplemental quota should be established for long-staple cotton. Hearings were held on February 18, 1947, and a report issued to the President on April 21, 1947. The re-

port recommended a supplemental quota for cotton  $1\frac{1}{8}$  inches or more but less than  $1\frac{1}{4}$  inches of 23,094,000 pounds for the quota year ending September 19, 1947. The President issued a proclamation on June 9, 1947, embodying this recommendation; the proclamation became effective on June 14.

##### 7. SIXTH SUPPLEMENTAL INVESTIGATION

The American cotton-textile industry requested the continuation of a supplemental quota on long-staple cotton for the following quota year. An investigation was ordered on January 15, 1948, hearings held on February 17, 1948, and a report issued to the President on May 14, 1948. The report recommended that no quotas be placed on cotton  $1\frac{1}{8}$  inches or longer and that a supplemental quota of 18,300,000 pounds be established for cotton over  $1\frac{1}{16}$  inches but less than  $1\frac{1}{8}$  inches. The report was not accepted by the President because of the passage in the interim of the Agricultural Act of 1948. It was requested that the Tariff Commission reconsider the matter.

On July 14, 1948, a revised report was sent to the President, recommending a supplemental quota of 18,000,000 pounds for cotton  $1\frac{1}{8}$  inches or over and less than  $1\frac{1}{16}$  inches. In addition it was recommended that licenses be issued to individual cotton-manufacturing concerns on the basis of their essential needs for the remainder of the quota year ending September 19, 1948. A Presidential proclamation to this effect was issued on July 20, 1948, effective immediately.

##### 8. SEVENTH SUPPLEMENTAL INVESTIGATION

The cotton-textile industry requested a further continuation of a supplemental quota as well as a change in the quota year to permit them to obtain foreign long-staple cotton under the quota under more favorable conditions. An investigation was ordered on June 9, 1949, hearings were held on July 7, 1949, and a report was issued on August 11. The report recommended changing the beginning of the quota year to February 1 each year for cotton  $1\frac{1}{8}$  inches or more but less than  $1\frac{1}{16}$  inches and establishing an interim quota of 16,487,042 pounds for the period September 20, 1949, to January 31, 1950. The President's proclamation which accepted this report was issued on September 3, 1949, effective September 20, 1949.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator from Louisiana.

Mr. ELLENDER. I wish to thank my friend from Florida. As I indicated a moment ago, I have nothing to add to my statement unless some further questions are asked of me. I am very hopeful that the Senate will approve the conference report next Monday.

#### NOMINATION OF GORDON DEAN AS MEMBER OF THE ATOMIC ENERGY COMMISSION

Mr. MORSE. Mr. President, I should like to make brief comment on the nominations for membership on the Atomic Energy Commission which were reported to the Senate this afternoon by my friend the Senator from Connecticut [Mr. McMAHON]. I think they are excellent nominations, and I particularly wish to pay tribute and compliment this afternoon to one of the nominees, whom I know personally and intimately, Mr. Gordon Dean. It was my pleasure during 1936 and 1937 to serve in the Department of Justice. Interestingly enough, Mr. Dean and the Senator from Connecticut [Mr. McMAHON] were my two superior officers. I came to know Mr. Dean very well.



I wish to say for the RECORD that in my judgment Mr. Gordon Dean is the type of man who should be encouraged to take up a career of public service. He is a man of great intellectual integrity and unquestioned loyalty to his Government. He is a man of superior intelligence and, in my judgment, he has demonstrated by his past public service that he always places the public interest foremost in his thinking when it comes to rendering any decision connected with his duty as a public servant.

Although the President of the United States has bestowed a great honor on Mr. Dean by nominating him for this post, the American people also are complimented by this nomination, because Mr. Dean will serve them with distinction. He is a devoted public servant who places the public interest uppermost in his service to his country.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. MORSE. Mr. President, I am very hopeful that the Senate will disapprove the conference report, which the Senator from Louisiana has so ably but, nevertheless, I think mistakenly defended here this afternoon. I do not intend to speak at great length. I wish to lay a foundation in the RECORD with certain material which I shall use as a basis for a longer argument on Monday. I think the conference report is a most unfortunate report from the standpoint of the interest of the American farmers. I think it should be returned to conference with specific instructions from the Senate that the Senate wishes to have further discussion with the House conferees on the adoption of the Magnuson-Morse amendment.

I believe that from any angle from which the problem may be approached, the Magnuson-Morse amendment should be approved. I desire to discuss it for a short time from the viewpoint of the future of the reciprocal trade program. I wish to discuss it as a Republican who has supported the reciprocal trade program of the present administration. I happen to be one who believes that the principle of reciprocal trade in the world in which we live should be considered as being here to stay. I am a Republican unalterably opposed to any movement backward in the direction of the Smoot-Hawley tariff program for our country, because in my judgment the framework of the Smoot-Hawley tariff is economic isolationism. Economic isolationism will jeopardize peace in the world today just as much as will political isolationism.

Mr. President, one of the great dangers—and I have noticed this danger in my brief service in the Senate—is that too frequently there is a tendency on the part of Congress, yes, on the part of the American people, too, to move from one extreme to another, failing to take into account the fact that we do not

make progress in America by extreme action. We make progress in this country only when we agree upon the adoption of sound principles, and then seek to carry them out reasonably, moving forward by degrees, not seeking to make progress by way of a social or economic avalanche.

I think the principle of a reciprocal trade program is sound, but certain abuses have developed within the administration of the reciprocal trade program to which I would direct the attention of the Senate.

Mr. President, I would that I did not have to make the statement I am now about to make, but for the past 4 years I have pleaded with the State Department time and time again to give evidence of an intelligent understanding of America's agricultural problems. The fact is that in incident after incident the State Department has come to satisfy me that it does not have an intelligent understanding of agricultural problems in America, and its administration of the reciprocal trade program in respect to agricultural products is my exhibit A in support of my accusation that there is a need in the State Department, in the reciprocal trade section, of men who can demonstrate some practical understanding of America's agricultural problems. Time after time in recent years the State Department, in the name of carrying out a reciprocal trade program, has discriminated against America's farmers, with the result that I desire to say from my desk here today to the President of the United States and to the State Department that, whether they know it or not, the truth is that there is a revolt developing among American farmers in opposition to the whole program of reciprocal trade. American farmers are mistaken in their belief that their economic welfare can be served by a return to a high tariff wall, because they must recognize that, after all, their economic interests, too, happen to be dependent upon the economic welfare of other economic groups.

Mr. President, the American farmers are right about one thing; they are right in their insistence that the abuses in the administration of the reciprocal trade program, which have come to characterize the reciprocal trade section of the State Department in respect to agricultural products, must come to an end. That is one reason why the junior Senator from Oregon has supported the peril point principle in respect to reciprocal trade. He continues to be at a loss to understand the arguments of those who criticize those who support the peril-point amendment. He submits, when all is said and done that the peril-point amendment is inherent in the Magnuson-Morse amendment. It is simply an amendment which seeks to accomplish what is consistent with our constitutional system of government, namely, a check upon the executive branch of the Government.

It is not an amendment which seeks to destroy the reciprocal trade principle, but is an amendment which says in effect, when we simmer it all down to its essence, that there is a duty resting upon

the Congress of the United States to make certain that the officials in the executive branch of the Government, including the President of the United States, shall have the facts before them before they reach an agreement on reciprocal trade. It seeks to give assurance that if the President then goes forward and executes a reciprocal trade agreement, in direct opposition to what the economic facts brought out by the application of the peril point procedure may show, he shall then be required to advise the Congress as to why nevertheless he went forward with the agreement.

What is wrong with that? Certainly we have not reached the point in this country when we are going to delegate to the President of the United States, or, through him, to the State Department, complete, arbitrary, blanket authority to determine the economic welfare of the nation through executing reciprocal trade agreements—and blanket reciprocal trade agreements have exactly that effect—without some effective check upon them by the Congress of the United States.

In connection with the Magnuson-Morse amendment, I wish to say that, I am holding fast to a principle which I think is fundamental in our system of government, namely, the principle of adequate checks of the legislature upon the executive, just as I support adequate checks of the executive upon the legislature.

Mr. President, if we had had the peril-point amendment in operation, or if we had had the Magnuson-Morse amendment in operation, 2 years ago, certain decisions which have been reached by the State Department in regard to the administration of reciprocal trade could not have been put into execution, because the submission of the facts to the American people, through the application of the peril point amendment, would have been the check of fact necessary to stop such arbitrary action as the State Department has been guilty of in incident after incident.

Therefore, as a supporter of the reciprocal trade-agreement principle, I plead here this afternoon for a further consideration of the Magnuson-Morse amendment, because I think it will operate as an effective check upon the executive branch of the Government, and I think it will bring some sense to the State Department in regard to agricultural products, the lack of which has characterized so much of the action of the State Department in the field of reciprocal trade in the past 4 or 5 years.

It has been 5 years now that the Senator from Washington [Mr. MAGNUSON] and the junior Senator from Oregon have fought shoulder to shoulder on this issue. This is not the first time we have been able to get through the Senate of the United States the principle of the Magnuson-Morse amendment. We got it through in the Eightieth Congress, we got it through in the first session of the Eighty-first Congress, and how were we undercut in the last session of the Congress in this matter?

The Senator from Washington is here and he can check me now for accuracy,



but I want to submit for the record my understanding of what happened in the last session. After we had again secured Senate approval of the principle for which we are once more fighting, it was reported to the Senate and to the conferees that a gentleman's understanding had been worked out, that there had been an informal understanding or assurance from the State Department that in the future very careful consideration would be given to the type of problem the Senator from Washington and the junior Senator from Oregon had raised time and time again with State Department officials and Department of Agriculture officials. Assurance was given, so I understood, that the State Department would carry out the purposes of the Magnuson-Morse amendment but did not want it written into the law. I may say, seeing the present occupant in the chair is the Senator from Florida [Mr. HOLLAND], that we appreciate the great help we have received from him in years past in dealing with the very problem I am now discussing.

Mr. President, gentlemen's agreements in the Senate are one thing. Gentlemen's agreements and understandings in the Senate are as good as the coin of the realm. They are lived up to. They are the legal tender of good faith. But it is sad to report that I have not formed a very favorable impression to date respecting gentlemen's agreements with certain departments of the Government or the executive side. I mean that as no reflection on the President of the United States, because let me say here as a Republican that if we have a gentleman's understanding with the President of the United States it, too, is as good as the coin of the realm. Having had such understandings with the President, I know whereof I speak.

But the President of the United States cannot begin to keep his fingers on all the intricacies of operation of the many departments of the executive branch of the Government. I happen to be one who believes that the President of the United States is not fully aware of the way the Reciprocal Trade Section of the United States State Department, particularly in respect to agricultural products, has been working in years immediately past. I am sorry to have to express such a lack of confidence in that section of the State Department, but I do so, based upon very sad experience with it.

It is interesting to note, from the material I shall insert in the RECORD before I close, Mr. President, that it was the State Department again, in spite of the informal assurance I thought we had in days gone by, that was going to see to it that the particular problems the Senator from Washington and I have stressed so many times in connection with this particular issue would be handled on the basis of facts; yet, it was the State Department that appeared primarily against the amendment, and as I shall show on Monday, offered a series of specious arguments in opposition to it.

Oh, let us stop "kidding" ourselves about this, Mr. President. Let us face the fact—and I assert it is the fact—

that what that group in the State Department really wants is unchecked, arbitrary, discretionary power to enter into reciprocal trade agreements in behalf of the United States Government with foreign powers, unchecked by the Congress of the United States.

I believe in the check-and-balance system of our Government. I believe, Mr. President, that before the State Department enters into reciprocal trade agreements the American people are entitled to know that there has been a presentation of facts to the executive branch of Government, through a legislative check such as the peril-point amendment seeks to accomplish, which would in effect be accomplished by the Magnuson-Morse amendment in respect to agricultural products. Once that checking of fact has been submitted, then let the administration face those facts and decide at that point whether or not it then wants to go forward with a specific proposed reciprocal trade agreement.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MORSE. I shall yield in a moment.

I think that is sound administration. I think that is carrying out the principle of checks and balances of American constitutional government. But I want to say, as a constitutional liberal on the Republican side of the aisle in the Senate, that the American people had better wake up, before it is too late, and realize the growing expansion of arbitrary power on the part of the executive branch of the Government. If we let that trend continue in America, then the American people are going to lose the effectiveness of one of the greatest guarantees they have, namely, the principle of checks that the founding fathers themselves wrote into the Constitution. By disuse there comes atrophy. If we, the Congress, continue in bill after bill to grant into the hands of departments in the executive branch of the Government more and more unchecked power, we are going to find in the years to come that the whole system of checks and balances will atrophy. If he does not watch out, a Senator of the United States will soon find himself, when he stands up to defend one of the great safeguards of freedom for the American people, namely, the principle of using checks and balances against arbitrary power on the part of the executive branch of the Government, as one who is talking almost a foreign theory. We have already gone so far, Mr. President, that it has become characteristic of the thinking of too many heads of too many sections of the executive branch of the Government, particularly in the State Department, that the Congress of the United States should not even contemplate imposing checks upon them.

I know of no department of Government that needs more checks today than the State Department, and particularly in the whole field of the administration of the reciprocal trade program and other foreign trade matters. I shall continue to defend and fight for the

principle of reciprocal trade, but I also shall continue to insist that the administration of the reciprocal trade program must be brought within the realm of an adequate check on the part of the legislative branch of the Government. I think that is inherent in the Magnuson-Morse amendment.

I now yield to the junior Senator from Washington.

Mr. CAIN. Mr. President, I should like to say to my friend, the distinguished Senator from Oregon, that since the junior Senator from Washington first came to the Senate of the United States about 4 years ago he has heard a very great deal about reciprocal trade treaties and agreements without being certain that he actually understands the proper and true meaning of the word. I wonder if the Senator from Oregon can tell me how any trade agreement which is either unfair or lopsided or unjust to American industries and American consumers can be construed to constitute a reciprocal trade treaty?

Mr. MORSE. If the facts are as assumed by the Senator's hypothetical question to be the case, then of course his question answers itself. Such a reciprocal trade agreement could not be fair. Such a reciprocal trade agreement would be discriminatory.

I am glad the Senator raised the question, because it leads to the very next point I want to make in respect to the obligation which I think the people of the United States owe to the American farmer in connection with reciprocal trade agreements affecting certain basic commodities of American agriculture. I want to make the point in this way:

I should like to be reassured, Mr. President, that there is at least one man or one official in the State Department who knows that it takes from 10 to 12 years to grow an orchard of trees to profitable production, be the trees filberts or walnuts, be they cherries or apples, be they pears or peaches.

The fact is, Mr. President, that, striking an average, from 10 to a dozen years are required to get an orchard to a point where the orchardist can make a reasonable profit in a good year from his orchard. Yet in the State Department there are theorists who apparently have no compunction about working out a reciprocal trade agreement which will wipe out, insofar as reasonable profits are concerned, thousands of acres of orchards in the United States, ignoring the arguments which many of us in the Senate have made in the past 5 years. Among those Senators I include the Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. CAIN], my colleague from Oregon [Mr. CORDON], and the Senator from Florida [Mr. HOLLAND], who also has been of assistance in this connection, in regard to certain fruit crops in Florida.

What reply do we receive from the State Department, Mr. President? The reply is, "Of course we cannot enter into reciprocal trade agreements without having some injury done to America."

Mr. President, that is granted; I have never denied that premise. I realize



that we cannot continue the reciprocal trade agreement program—and I think it is essential that it be continued, from the standpoint of world peace—without doing some injury to some segments of the American economy, including some segments of the agricultural economy. But, Mr. President, I ask who should bear the loss? Is it fair, is it sporting fair, to have a small group of economic theorists in the State Department fly to Geneva and work out a reciprocal trade agreement affecting, for instance, the orchards of the United States—and what I am saying about the orchards can likewise be said with equal force in regard to a good many other agricultural products of the United States—and by that one agreement heap upon that group of American farmers all the losses resulting therefrom—and I emphasize the word "all." If such a reciprocal trade agreement is essential for the economic welfare of the United States, over the long pull, then I say it is essential that all the American people stand a part of the loss which flows from the agreement.

Do not forget, Mr. President, that in these days we are living in a world in which many nations with whom we carry on reciprocal trade negotiations are not functioning on the basis of a private free-enterprise system. To the contrary, in these negotiations, these days, we are dealing with a great many nations which are operating, in varying degrees, upon the basis of a state economy. That is true whether it be Great Britain, France, Italy, or even the Scandinavian countries; and also there is much of it in the Low Countries. We have to do economic business with them; but cannot the Senate see, cannot the administration see, that when we are negotiating a reciprocal trade agreement with another nation in respect to a particular product which comes under a state-economy program, then we place the American producers of that product at a great disadvantage? This point is particularly true in respect to manufactured products, more so than in respect to agricultural products, although even there it is interesting to note, in the case of the state-economy countries, the state aid which flows to their farmers as a result of a state-economy program. So the fact is that in a great many instances there is really very little reciprocity between a state-economy nation and our Nation with its free economy.

So I say again today what I have been heard to say on other occasions, that one of the reasons why we need to have all the economic facts in advance of the negotiation of a particular reciprocal trade agreement is the necessity of informing the American people, as well as the administration—which has the primary responsibility for negotiating such agreements—as to the effects of the proposed agreement upon a given segment of the American economy and, therefore, indirectly upon the total economy.

Mr. CAIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOL- LAND in the chair). Does the Senator from Oregon yield to the Senator from Washington?

Mr. MORSE. I will yield as soon as I finish this particular point.

Mr. CAIN. I thank the Senator.

Mr. MORSE. Mr. President, that is what I am pleading for. However, that is not the way it works. The theorists in the State Department fly to Geneva and negotiate a reciprocal trade agreement. Of course, the Congress is supposed to rubber-stamp it; in fact, in American politics we have almost reached the point where if those of us who serve in Congress do not automatically rubber-stamp with approval the reciprocal-trade negotiations of the State Department, then efforts are made to brand us as persons opposed to the reciprocal-trade principle. However, Mr. President, I am used to that kind of misrepresentation, and it does not bother me a bit. I am continuing with my fight to do what I can to force this administration to face the economic facts in regard to the effects of some of the reciprocal trade agreements upon America and the American economy and, in this instance, particularly in respect to the effects upon the agricultural economy.

I say that the farmers of the United States are entitled to have the losses spread among the American people as a whole, and not brought to bear entirely upon the orchardist, for example, who has spent from 10 to 12 years of hard labor in bringing an orchard up to profitable condition, only to have it wiped out, in effect, by an unfortunate reciprocal trade agreement.

Mr. President, I shall insert in the RECORD at this point, from the standpoint of personal experience, some evidence which I know very well can be subject to misinterpretation by those who do not know me personally. However, it will not be subject to misinterpretation by anyone who is personally acquainted with me, because I think my acquaintances know that a personal economic interest would not cause me to change a position on any matter of principle. Yet when I give this example I know there will be those who will say, "Oh, oh! He lost some money, and that explains his position on the Magnuson-Morse amendment."

To the contrary, Mr. President, my experience in the particular matter which I now wish to mention gives me personal authority to speak on the subject, because I happen to know the effects of some of the actions of some of the starry-eyed theorists in the State Department—in this connection, Mr. President, as regards some of their negotiations in connection with filbert nuts.

I happen to have had—and note, I emphasize "to have had"—a small filbert orchard, merely a small hobby orchard; not one on which I could have made any substantial living, but one consisting of about 3½ acres. For a professional man who spends most of the hours of the day in the office and then tries to take care of a small orchard during the seasons

of the year at least when the orchard needs attention, taking care of 3½ acres of filberts is no small job. At any rate, it keeps a man in trim.

The reciprocal-trade-theory boys in the State Department, who, I suspect from conversations with some of them, had never seen a filbert tree, consummated certain reciprocal-trade agreements covering filberts, with the result that our domestic market was flooded with foreign nuts. As a result the filbert growers have been taking a tremendous loss. It reached a point where for two reasons I decided to tear out my filbert trees and grow hay. It got to the point where my loss was so much on my mere 3½ acres that I jerked the trees out of the ground and sowed a crop of oat hay because I could not afford the financial loss caused by the State Department boys. Further I wanted to place myself in such a position that no one could say that I have any particular vested interest in any particular orchard growing filberts. I at least have removed that basis of criticism. But the experience I have had with my own little filbert orchard satisfies me that the theorists in the State Department simply do not know the A B C's of agricultural problems in this country. They need to have some checks brought to bear upon them. They need to have the kind of check provided in the Magnuson-Morse amendment and the kind of check provided in the peril-point amendment which, on two occasions has been defeated in the Senate of the United States.

I take the position that if the State Department officials are to be given the arbitrary power which they are exercising, and if it is decided that it is in the best economic interest of the United States to go forward with a reciprocal-trade agreement affecting, for example, some segment of American agriculture, then the losses resulting therefrom should be spread over all the people of the United States. "Supposedly the reciprocal-trade program has been entered into for the economic benefit of all our people. It is not fair to levy the total cost of the loss accruing on but one small segment of American agriculture."

That is pretty much the point of view of farm leaders, to whose views I shall refer in a moment, in regard not only to this amendment but in regard to their general objections to the reciprocal-trade agreements made by the State Department respecting agricultural products. I say, not with unkindness, or at least without any intent to be unkind, that what is needed in the State Department in the reciprocal-trade section apparently is men who show at least some evidence of an understanding of the agricultural problems of the country. To date I say they have shown for the most part a sorry ignorance, a lack of any knowledge of agricultural problems.

I yield now to the Senator from Washington.

Mr. CAIN. Mr. President, the Senator from Washington is seriously interested in the meanings of words. The



Senator from Oregon undoubtedly has read and studied, as has the Senator from Washington, a number of the trade agreements signed by the United States with other countries throughout the world. Has the Senator from Oregon ever been able to find the word "reciprocal" in a single trade treaty at any time signed by this Nation with some other nation?

The reason I raise the question is that I am pretty much of opinion that reciprocity means to share equally. It is obvious to any man who can think that a good many of the trade treaties now binding upon our country do not share equally. They, therefore, cause great suffering to American farmers in the Pacific Northwest and to other American industries. I am about to fall heir to a very strong opinion that someone possessed of an acutely sensitive mind, with a vocabulary well suited to publicizing something which is not true, has hit upon the word "reciprocal," and has used it so incessantly that it has become a byword throughout the Nation. It is a word which is about as misleading as any word I could possibly call to mind. I wonder whether the Senator from Oregon shares my concern about the misuse, if I am correct in terming it that, of the expression "reciprocal trade treaty," when everything he has said this afternoon indicates that the basis of his charges is that there is no reciprocity in the agreements which are called reciprocal.

Mr. MORSE. The Senator from Washington has answered the question for me. The burden of my argument this afternoon is that, particularly in respect to agreements affecting agricultural products, they have not been reciprocal.

Mr. CAIN. Yet the State Department constantly refers to them as reciprocal trade agreements, does it not?

Mr. MORSE. That is correct.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. MORSE. I yield.

Mr. ELLENDER. The distinguished Senator from Oregon concedes, does he not, that the so-called Magnuson-Morse amendment would not be effective, let us say, with respect to the filbert growers, unless they were to have a program of some kind?

Mr. MAGNUSON. But they do have.

Mr. ELLENDER. Just a moment. I want to ascertain the fact. Is that correct?

Mr. MORSE. That is correct.

Mr. ELLENDER. What kind of program is in effect for the filbert growers, the apple growers, and other fruit growers? Can the Senator tell us for the RECORD? I should like to know.

Mr. MORSE. The only program we have ever been able to place in operation for the filbert growers has been the Morse marketing agreement, which I got through the Senate last year, and which the House approved. We did not receive much encouragement from the State Department or the Agriculture De-

partment for that agreement, I may say to the Senator from Louisiana. We have not been able to get any sympathy from the State Department in most of the controversies over agricultural products, whether affecting filberts, apples, pears, or what not. I submit it is more because of ignorance in the State Department than of intent. I simply think they do not know their stuff when it comes to agricultural problems. That is why I believe we must take the arbitrary power away from them and provide a checking channel whereby we can stop the starry-eyed theorists of the State Department, who have come from the economic classrooms of America but not from the farms of America, to deal with the problems of American agriculture. I say that as one who taught for more than 20 years. But I desire to add that I think it is also important that we bring together both practical men and theorists when we come to study the effect of a reciprocal trade agreement on American agriculture.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ELLENDER. The Senator will admit, then, will he not, that the only way by which any assistance can be afforded the farmer under the Magnuson-Morse amendment is to have an effective program as to the product grown?

Mr. MORSE. Yes, it is necessary that there be an effective program.

Mr. ELLENDER. That is the Senator's view, is it not?

Mr. MORSE. Yes, but marketing agreements are worthless if the State Department is free to defeat their purpose by entering into an unfair reciprocal trade agreement.

Mr. ELLENDER. I understand that. But unless there is a program in effect, the Magnuson-Morse amendment, even if adopted, would not be effective as to the growers of any commodity not covered by an effective program. Is not that correct?

Mr. MORSE. Until they put a marketing program into effect.

Mr. ELLENDER. I merely wanted the record to show that that was in the Senator's mind.

Mr. MORSE. I have no quarrel with that. There are some good marketing programs in effect which would profit greatly from the adoption of the Magnuson-Morse amendment.

Mr. President, I have spoken as long as I care to this afternoon. I shall make my major argument on the amendment itself on Monday, but at this point I desire to insert in the RECORD certain supporting material which I think adequately sustains the position which the junior Senator from Oregon and the junior Senator from Washington have taken.

I have here a telegram from Albert S. Goss of the National Grange, which reads as follows:

The National Grange appreciates and hopes you will continue to insist on the Magnuson amendment in the CCC bill. We feel it is vital to any program of price supports.

The next is a telegram from John J. Riggle, assistant secretary, National

Council of Farmer Cooperatives, reading as follows:

National Council of Farmer Cooperatives strongly urges your support of original text Magnuson-Morse amendment to CCC bill when it reaches Senate floor. We believe language suggested by conferees is not adequate to give United States farmers protection they urgently need against injurious imports.

The next is a telegram from John E. Trunk, general manager, Northwest Nut Growers, which reads as follows:

One of our greatest legislative disappointments is conferees' rejection of Magnuson-Morse amendment for section 22. Many agricultural crops including ours face ruination and discontinuance under present State Department trade policies. May we ask your help to fight on Senate floor rejection of conference report and insist that Magnuson-Morse amendment be accepted?

The next telegram is from E. F. Forbes, president, Western States Meat Packers Association, of San Francisco, Calif., which reads as follows:

We wholeheartedly favor the Magnuson-Morse amendment to the CCC bill, H. R. 6567, which was passed by the Senate to protect against excessive imports of agricultural commodities on which we have price support programs. The amendments substituted by the conferees after striking out the Magnuson-Morse amendment have no value and offer no protection, but merely act to continue the present unsatisfactory situation. We urge that you fight for the Magnuson-Morse amendment as the practical answer to this problem.

Mr. President, I ask unanimous consent to insert in the RECORD what I consider to be a very excellent synopsis and analysis of the action of the conferees on the bill, which has been prepared by my good friend from Washington [Mr. MAGNUSON], entitled "Brief Analysis of Conferees' Action on Commodity Credit Corporation Bill, H. R. 6567."

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

BRIEF ANALYSIS OF CONFEREES' ACTION ON COMMODITY CREDIT CORPORATION BILL, H. R. 6567

(By WARREN G. MAGNUSON, United States Senator)

On Thursday, June 15, House-Senate conferees reached agreement on differences in the two versions of H. R. 6567. The Senate version of this bill contained, as section 3, the so-called Magnuson-Morse amendment. This amendment was in the nature of a substitute for existing section 22 of the AAA.

Section 22 gives the President only limited and only permissive authority to deal with agricultural imports. The Magnuson-Morse amendment does not expand his authority or make it mandatory. If the facts warrant it, he may impose an import fee up to 50 percent ad valorem or a quota not less than 50 percent of the imports during a representative period.

Please bear in mind that section 3 of H. R. 6567, the Magnuson-Morse amendment, was adopted unanimously by the Senate Agriculture Committee. It was adopted by the Senate without objection and after a 3-day floor fight last year, similar language was approved by a vote of 44 to 28. Last year, too, the amendment was lost in conference.

A subsection, F, was added to section 22 by the Eightieth Congress. The most important single provision of the Magnuson-



Morse amendment is the substitute for this subsection.

Here is the way subsection F now reads: "No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party."

The Magnuson-Morse amendment reverses the emphasis by saying:

"No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section."

Here is the language the conferees adopted:

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereinafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection."

If you will read the underscored portions of this language you will see why it is so objectionable. The net effect is to ratify article 11 of the General Agreement on Tariffs and Trade—or to put it another way, the net effect is to make section 22 subordinate to article 11 of GATT and to authorize the Department of State in any new trade agreements to follow the same pattern. As a practical matter present provisions of GATT nullify section 22.

The most pertinent part of article 11 of GATT reads as follows:

"1. No prohibitions or restrictions other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.

"2. (c) Import restrictions on any agricultural or fisheries product, imported in any form, necessary to the enforcement of governmental measures which operate—

"(i) to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted; or

"(ii) to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level; or

"(iii) to restrict the quantities permitted to be produced of any animal product the production of which is directly dependent, wholly or mainly, on the imported commodity, if the domestic production of that commodity is relatively negligible."

Since the net effect of the conferees' action on H. R. 6567 is to subordinate section 22 to article 11 of GATT, it would be far better and certainly more forthright to repeal section 22.

#### FURTHER ACTION

The conferees also "compromised out of the bill" the streamlining provision of the Magnuson-Morse amendment. The amendment transferred from the Tariff Commission to the Secretary of Agriculture full responsibility for developing the facts upon which the President would act, in cases where imports threaten domestic farm programs.

Justification for streamlining stems from the fact existing machinery is so cumbersome as to be totally ineffective—particularly in the case of perishables. Net effect of conferees' action is to write into section 22 the procedure presently followed under Executive Order 7233, dated November 23, 1935. This accomplishes nothing.

Mr. MORSE. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD a letter which I have received from Frank W. Taylor, secretary-manager, Northwest Horticultural Council, dated April 11, 1950, attached to which is a brief prepared by the Northwest Horticultural Council in support of the Magnuson-Morse amendment.

There being no objection, the letter and brief were ordered to be printed in the RECORD, as follows:

NORTHWEST HORTICULTURAL COUNCIL,  
Wenatchee, Wash., April 11, 1950.  
Hon. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR WAYNE: I am indeed sorry that circumstances beyond my control prevented my seeing you in your office last Friday morning as planned so that we could further discuss the above Senate bill which, as you know, has been reported out by the Senate Committee on Agriculture and Forestry to accompany H. R. 6567 which was passed by the House and provides for increased borrowing power for the Commodity Credit Corporation. Senate report No. 1375, as you know, includes in addition to the Commodity Credit Corporation borrowing authorization, the Magnuson-Morse sponsored amendment to change section 22 of the Agricultural Adjustment Act. This amendment is of vital importance to our industry particularly as it is a step in the right direction to afford our fruit and other perishable agricultural industries streamlined action designed for protection against injuries imports.

In our particular case, the chief problem is, as you know, heavy and unrestricted imports of Canadian apples. We have long attempted, both in the departments and legislatively, to secure such protection and we consider it of paramount importance to the northwest apple industry that the Magnuson-Morse amendment to S. 2826 be passed by the Senate in its present form. We know that you will see that it is supported on the floor when the Senate considers this bill and we urge that you oppose any attempts to change its text either for political reasons or otherwise. Once it has passed the Senate we also sincerely hope that you will use your influence with your colleagues in the House to insure its acceptance by the House conferees from the Banking and Currency Committee.

We strongly recommend that, if the bill passes the Senate and the amendment to section 22, of which you are cosponsor, is rejected in conference, that you and Senator MAGNUSON rally your colleagues and insist that the Senate refuse to accept the conference report unless your amendment is included.

Although we have given you, from time to time a great deal of information on the situation that confronts us, the writer believes that the attached copy of a letter addressed

to Mr. Hyman Leikind of the United States Tariff Commission by Mr. J. Walter Hebert, chairman of our import committee, boils down pertinent facts that may be useful to you in supporting our contention that the proposed change in section 22 is necessary and desirable. If there is any additional information which we can supply you or if you have any further questions please do not hesitate to contact the writer immediately by telephone or telegram.

With kindest personal regards, we remain,  
Sincerely yours,

NORTHWEST HORTICULTURAL COUNCIL,  
FRANK W. TAYLOR, Secretary-Manager.

NORTHWEST HORTICULTURAL COUNCIL,  
Wenatchee, Wash., April 4, 1950.  
Mr. HYMAN LEIKIND,  
United States Tariff Commission,  
Washington, D. C.

DEAR MR. LEIKIND: When you were in Seattle recently you will recall that R. L. Shultz promised you a summary of the competitive situation that exists on the United States market as a result of importation of Canadian apples. With the assistance of Mr. Shultz, I have attempted in this letter to summarize the more important points without going into statistical details which are already available to you in governmental statistical reports and in the briefs filed with the Committee for Reciprocity Information before the Ancey conference last year.

The United States imports of Canadian apples come almost entirely from British Columbia. Apple production in British Columbia is similar to that in the State of Washington. It has the same soil and climatic conditions and employs the same orchard practices, harvesting, and packing methods as does the United States apple industry of the Pacific Northwest. They size and grade their apples and pack them in the standard Northwest apple box, having adopted these practices from the United States Northwest apple industry. To the casual United States consumer, its apples are identical in grade and style of package to those produced in the United States Northwest apple districts.

The varieties its exports to United States markets are for the most part the same as those grown on the United States side of the Northwest border. The one important exception is the McIntosh variety which they grow in large volume. This variety is not grown in the Pacific Northwest but is grown in our Middle Western States and New England and is our second largest variety nationally. British Columbia MacIntosh competes strongly with our Mid-West MacIntosh. This matter of varietal competition is extremely important. For example, the 1949-50 national apple crop in the United States consisted of the following varieties in point of volume: First, Delicious; second, MacIntosh; third, Winesap; fourth, Jonathan; and thereafter followed numerous other varieties in smaller volume—Romes, Staymans, Yorks, Newtons, Baldwins, etc. The first four varieties named constituted 50 percent of the crop. The Winesap is a late keeper and is not generally shipped until after the Jonathan, Delicious, and MacIntosh are out of the way. The British Columbia exports consist primarily of Jonathan, MacIntosh, and Delicious, and compete with the heavy production in point of time as well as in usage with the major production of United States grown apples.

These so-called fall varieties move into consumption from September through February, mostly October through December, during which time the impact of additional imported quantities of these same varieties greatly aggravates the competitive situation. This is the period of the heaviest Canadian



shipments, which is also the time of the heaviest United States shipments. Last season the impact was so severe as to drive prices of Jonathan and McIntosh below the costs of packing and transportation and selling, leaving the United States grower little or nothing whatever for his apples, or even a debit in many cases.

The distribution of British Columbia-grown apples to United States markets practically parallels that of apples from the Pacific Northwest. They also compete strongly with Midwest-grown McIntosh and Jonathans in Midwest markets such as Minneapolis, Milwaukee, and Chicago.

The unit cost of production in British Columbia is substantially less than in the Pacific Northwest. The transportation cost is the same to the United States markets where these apples compete. Therefore, the British Columbia grower has a distinct competitive advantage on the basis of delivered unit cost. It is the practice of B. C. Tree Fruits, Ltd., the one-desk selling organization for British Columbia apples, to sell in United States markets on a delivered basis. This, of course, includes the freight and all delivery costs. The British Columbia shipping organization prepays the Canadian portion of the freight in Canadian currency, and the United States portion in United States dollars. They collect from the United States buyer the entire delivered price in United States dollars. The United States duty of 12½ cents per bushel, net weight, is, of course, merely nominal. When computed on the net weight in the standard Northwest apple box it figures about 11.5 cents per box, compared with 37.5 cents per standard apple box, gross weight (railroad published estimated weight of 50 pounds), for the Canadian tariff.

While it is not a matter of tariff, we wish to point out that the 10 percent official discount of the Canadian dollar in terms of the United States dollar enables the Canadian grower to recover from 30 to 40 cents on the average delivered-price sale of a box of British Columbia-grown apples when the United States dollars are exchanged for Canadian currency. This is an important incentive, over and above the normal trading inducements, to sell larger quantities of British Columbia apples in the United States than would otherwise be the case. This recovery in exchange more than pays the United States duty and in actual practice completely nullifies the tariff.

The trend of production in British Columbia is upward because of the age of their plantings and could easily double within the next decade. According to a tree survey taken in 1945, 24.3 percent of the British Columbia trees were under 10 years of age while Washington had only 7.4 percent. Their plantings of trees since that time have been triple those of the Washington apple growers. The British Columbia plantings are mostly of the Delicious variety which is now the largest single variety produced in the United States.

The British Columbia apples (and other fruits) are sold through one selling organization established by the Natural Products Marketing Act of 1937. This act creates a complete monopoly which is empowered to fix uniform prices and control shipments. The so-called "one-desk selling agent," British Columbia Tree Fruits, Ltd., exercises complete control of prices and may refuse to sell any distributive agency which does not maintain wholesale or retail prices at any point in Canada. The law has been held to be constitutional in both Provincial and Dominion courts. This creates a potential competitive situation against which the United States grower is practically helpless and which is, of course, illegal in the United States. It amounts to a State controlled cartel, which our Government has frowned upon in other British controlled cartels, notably rubber, but

seems to accept or condone in our fruit trade relations with Canada.

Prior to World War II (1939), both Canada and the United States had exportable apple surpluses, most of it going to Britain, continental Europe, and Scandinavian countries. British Columbia exported between 40 and 50 percent of its production, heavily to Britain. Canada practically took over our large export business to Britain following the imposition of the Empire Preference policy and the high British tariff of 4 shillings 6 pence per hundredweight on United States apples in 1932. Canadian exports to the United States were negligible prior to 1940. The British and other trans-Atlantic markets were almost completely lost to both Canada and the United States following the 1939 crop season. Canada thereupon turned to the United States as their major export market. This situation has persisted and grown since that time. It is doubtful—in fact, practically a certainty—that exports to Britain and European markets will never reach the same quantities they did before 1939. This is due to two major reasons: First, because of the fast increasing production of apples in England in the European countries; and second, because of the economic effects of the war. It seems improbable that this situation will change materially for some years to come. In the meantime, as the production increases in British Columbia, the impact of its surplus, with increased United States imports, will grow and the competitive situation will be progressively aggravated. If the apple industry of the United States, and especially that large segment located in the Pacific Northwest, is not to suffer serious damage, then certainly some restrictive measures for control of imports must be instituted. At the present time there are absolutely no barriers or control measures in effect and no import regulations applicable to apples coming in from Canada other than the nominal duty. Canada on the other hand imposes a much higher duty and other import onerous regulations, and, while we do not look to Canada for any substantial apple exports, the wide discrepancy in the trading conditions offers an opportunity for a closer approach to equality of treatment in the forthcoming revision of the Canadian-United States trade agreement.

You will recall the statement made in Seattle by Mr. Shultz that in considering or attempting to evaluate the injurious effect of Canadian exports to the United States, the over-all figures such as are set forth in the tariff summary on fresh apples are misleading for the following reasons. First, approximately one-third of the total crop is processed annually. Another 10 percent is used on the farm, wasted, fed to livestock, etc. It does not get into fresh commercial channels. Exports have been limited to about 1½ to 2 percent in recent years. Fresh domestic use is therefore around 60 percent of the total crop. This 60 percent from a marketing point of view should be classified according to variety, grade, and size, and by localities where grown. The most important of these perhaps is variety. Different varieties have their own peculiar qualities and uses, as well as varying length of life. Price differentials of varieties vary from year to year, depending on the supply of each.

This fact is recognized both by the British Columbia sales agency and the marketing concerns in the Pacific Northwest and elsewhere, wherever apples are sold from point of production. It has been customary for the British Columbia representatives at the annual conference between the Canadian and United States apple industries to give an estimate of the probable movement of British Columbia apples to the United States by varieties and by months which they intended to export to the United States. The purpose of this estimate is merely informative and

not agreed to and is in no sense binding on anyone. It is a recognition of the fact that varietal impact upon like varieties grown in the United States is a vital factor in the distributive process. The 1949-50 schedule as estimated in August was as follows:

[In thousands of bushels]

Variety	Sept. 15 to Oct. 31	Nov. 1-30	Dec. 1-31	Jan. 1-31	Feb. 1
Wealthy.....	20				
MacIntosh.....	330	150	100		
Jonathans.....	300	100			
Delicious.....	50	200	200	150	25
Rome.....			25	50	25
Newtons.....				50	50
Miscellaneous.....		50		60	55
Total.....	700	510	325	310	155

This contemplated schedule was badly disrupted by actual marketing experience. The United States market on Jonathans and MacIntosh, due to a large crop of these varieties in our Middle West, plus the impact of Canadian imports, sank to a point that did not return freight and packing costs. Consequently, B. C. Tree Fruits, Ltd., largely discontinued the export of these varieties and substituted therefor heavy shipments of standard Delicious and Red Delicious due to a much more favorable market for these varieties. In fact, British Columbia exports of Red Delicious to the United States amounted to more than 10 percent of the Northwest reduction of this variety. Furthermore, it should be recognized that British Columbia will probably export to the United States about 2,000,000 boxes which compete directly on the fresh fruit market with the 26,000,000 produced in the Pacific Northwest of the same varieties and sold to the same wholesale and retail buyers. This increase in supply of an identical product is approximately 8 percent and an increase of 8 percent in years of surpluses causes a decline in prices of far more than 8 percent. The losses occasioned by a decline in price are also augmented by forcing the United States Northwest grower to hold back his Delicious and other fall varieties in cold storage at additional cost and also frequently causing loss of condition and repacking, as was the case this season. The losses occasioned by this factor alone probably equaled or even exceeded the decline in price occasioned by Canadian imports.

The Pacific Northwest apply crop this year has averaged considerably less than parity which, as of January 15, was \$2.38 per bushel. And this despite the fact that the equivalent of well over a million boxes which would ordinarily be marketed were not packed and many were not harvested. Realizing there was a surplus production, growers were induced to leave certain varieties or uncolored apples on the trees or if harvested, were sold to byproduct plants at mere salvage prices. The preliminary average price of Washington apples as computed by the Seattle B. A. E. office is \$2.12 f. o. b., whereas actual costs of production range around \$2.55 to \$2.58 f. o. b. cars, according to the best figures obtainable from large growers who keep accurate accounts.

This situation was recognized by the Department of Agriculture and the Northwest industry has been aided by PMA purchases for the school-lunch program, and by an export subsidy. The PMA purchases were at \$1.70 and \$1.80 f. o. b., far below costs of production or even much below parity. Similarly, some 420,000 boxes were exported to Britain through the use of CCC funds and ECA dollars. The prices, however, were also on a salvage basis and far below parity, being from \$1.80 to \$1.90 per box f. o. b.

The point was raised in your discussion with Mr. Shultz that, if importations of



apples were stopped it might result in the consumer being gouged by exorbitant prices. The answer seems self-evident. We are a Nation which is geared to an historical record of apple exports. We have developed a national production which is dependent on an export market as a matter of calculated foresight and good business practice. It is only through the exigencies and disruption of normal and historical trade channels that we are not able to export an adequate portion of our production and have become an importing Nation. Our imports are not necessary to fill a void or a need for more apples but are forced upon our markets by international economic pressure despite our own surpluses created by our lack of exports. The proximity of British Columbia-grown apples to the United States markets, plus their loss of the British market and our nominal duty, makes a combination of circumstances which prompts them to look to the United States markets as a lucrative source of revenue. When, during the thirties, there were no apple imports and our exports were at the high point, prices in the United States were at the low point of history. While there were other factors affecting price, that of imports certainly had no bearing because there were none. It should be apparent to anyone attempting to analyze the price structure of apples that all other fruits are competitive to apples, especially bananas which come into the United States duty-free in quantities which have in the past exceeded in volume the entire fresh-apple consumption. The effect of apple imports on the United States consumer does not lie in a danger of exorbitant prices if they are discontinued but rather to the discouragement of the United States grower to the point of abandoning or being forced out of production, thereby leaving the market to a foreign monopolistic and State-controlled pricing system with which the United States grower cannot compete.

We trust this summary will give you a more realistic and down-to-earth viewpoint of the situation as we see it here in the Pacific Northwest. We shall be glad to amplify any particular point or points or furnish supporting statistical data on costs or crops by varieties, etc., should you so desire.

Very truly yours,

NORTHWEST HORTICULTURAL COUNCIL,  
J. WALTER HEBERT,  
*Chairman, Import Committee.*

Mr. MORSE. Mr. President, I close by saying that I have heard with both regret and some puzzlement an argument which has been used on the floor this afternoon and which has been too oft repeated on the floor of the Senate during this session of Congress. I do not propose to quote verbatim, for the RECORD will speak for itself tomorrow, when I say that the argument has been made again this afternoon that this report was the best the conferees could do in face of a presidential veto which would most likely result if the Magnuson-Morse amendment were adopted by the conferees.

I do not like that argument, Mr. President; I do not like it at all. When I hear that argument, I want to ask this question: So what? Since when shall the work of the United States Senate in passing legislation which it thinks is sound and in the public interest be blocked by a threatening argument on the floor of the Senate that if we carry out what we think is right the President will veto it? It is never going to influence my vote, Mr. President. The President can veto all he wants to. That is his constitutional authority and

right, and it happens to be his duty, if, as President of the United States, he differs in judgment with the Senate of the United States as to what the public interest is in respect to a given piece of legislation. But I cannot justify to my constituents or to the people of the rest of America my voting for a single piece of legislation, although I may think it is not as good as it should be, simply because the argument is made on the floor of the Senate that if I insist upon voting for what I think is right a presidential veto may be encountered. I shall cross that bridge when I come to it, and I shall do my best when we reach that bridge by urging an overriding of the President's veto. That happens to be our duty as Senators.

There is a growing tendency in the Senate of the United States, which has been all too apparent, particularly in this session of Congress, Mr. President, of advising us in the eleventh hour of debate, as though we were little school boys, "Now, if you do not go along with this the teacher will take you out to the woodshed and spank you with a veto." That is not my idea of living up to our obligations in the Senate of the United States.

The one question before the Senate in regard to the Magnuson-Morse amendment is a very simple one: Are the merits of the arguments and is the preponderance of the evidence on the side of the Magnuson-Morse amendment or against it? Believe me, Mr. President, if the argument is on our side, then each and every Senator in this body has the obligation of voting for what he believes to be right. Then, we shall meet the President on a veto message. We will hear his argument. That is the theory of that constitutional check that the President shall have his day in court; he shall have his veto forum, at which time he can make his argument as was intended by the Constitution. Then when his veto message comes to the Congress I shall study it, and if he can convince me by his message that he is right and I am wrong, then I shall vote to sustain his veto and not to override it. But I am not going to be influenced one whit, Mr. President, on this occasion or on any other occasion, by a threatening argument being used on the floor of the Senate that we have no choice, because if we do what we think should be done, the President will veto our action. To the contrary, I say it is our solemn duty, in keeping with the oath of office which we took, to act as independent representatives of the people, independent of the White House. Under our check-and-balance system it is our duty to pass legislation which we think is right, and then let the President of the United States exercise his constitutional power, as intended by the founding fathers of either signing or vetoing the legislation we pass. If he vetoes it then it becomes our duty to fight it out once again on the floor of the Senate when the veto message comes to the floor.

Let me say something in defense of the President, too. I do not think the argument to which I have referred is fair to the President of the United States. I do

not think it is fair to intimate on the floor of the Senate that if we do what we think is right the President is going to veto it, because, again, as a constitutional liberal, I would take the Members of the Senate back to the procedure of the Constitution itself. The veto check was provided so as to check arbitrary or unsound action on the part of the Congress of the United States; but it also affords time for the President of the United States to reflect upon the judgment of the Congress. It affords time for the President of the United States to read the arguments made on the floor of the Senate and on the floor of the House in support of a particular bill. It affords the President time to study the transcript of the record of the hearings on the bill.

I have confidence in whoever holds the Presidency of the United States, be he from either party, because I think whoever holds that particular position will rise to great heights of public responsibility. I am satisfied that any President—and I am particularly satisfied that it is true of Harry Truman—would study the record before he sent any veto message to the Congress of the United States. If in the course of this debate, as I hope it is possible to do, we can make a record of argument and evidence so convincing as to show that we are right in our advocacy of the Magnuson-Morse amendment, I am satisfied that careful consideration will be given to those arguments by the President of the United States. I am convinced that he will keep himself free of mind to pass final judgment after the whole record has been made.

Therefore, I say in conclusion, Mr. President, I do not think it is fair to the Senate, and I do not think it is fair to the President to use the argument that I heard used this afternoon, that it is the best that could be done, because the conferees were satisfied that if the Magnuson-Morse amendment were left in the bill the President would veto it. I hope that such an argument will not be made again in the Senate of the United States, because I think the argument itself constitutes an infringement upon the independence of the Senate. If the time ever comes when Members of this body do not exercise an honest independence of judgment on the merits of issues in accordance with the facts as they find them, uninfluenced by any threat of a veto, this body will have ceased to be the great deliberative and independent body that the founding fathers intended when they created it.

Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I do not wish to prolong the debate, but I am wondering if the Senator will tell us whether or not he ever attempted in recent years to have section 22 revised in accordance with the provision in the original Senate bill which we passed some time ago. In other words, as was pointed out by the distinguished Senator, efforts were made to incorporate in other bills the provisions of section 22. For instance, we have it in the Commodity Credit bill. Does not the Senator think



that it would be conducive to better legislation for a revision of section 22 to be discussed on its own merits, rather than to have it attached to a bill such as a bill to increase the borrowing power of the Commodity Credit Corporation?

Mr. MORSE. I wish to say to my friend, the Senator from Louisiana, that I think we ought to try to have this principle adopted in connection with every piece of legislation to which it properly applies. I have tried for some years, I may say to the distinguished Senator from Louisiana, in connection with agricultural bills, to have the principle of this amendment placed in effect. We made some progress in the Senate in years gone by, but we have failed at other points. In regard to those failures I would say that I am always hopeful that a sound lesson, adequately taught, will finally be accepted by the pupil. We have been building up over the years our lesson in regard to this matter. I was hopeful that this year the State Department would see that they ought to agree with what we are seeking to accomplish. I was keenly disappointed that they were the ones who principally opposed the amendment again. I think this is the place to incorporate the principle of the amendment because it has direct application to the subject matter over which we are seeking to take jurisdiction.

Mr. ELLENDER. I can say to the Senator from Oregon that if a bill had been introduced in the early part of this session or last session, and had been brought before the Committee on Agriculture and Forestry, consideration could have been given to the merits of the bill itself. That would have been better than to attach it every now and then to other legislation. If the Senator will introduce a bill to carry out what the so-called Magnuson-Morse amendment has in mind, as a member of the committee I will say to him that we shall give consideration to it and have it brought to the Senate floor at an early date. As the Senator knows, the Committee on Agriculture and Forestry has gone on record on two occasions in the last few years on this issue. The last time the committee was unanimous in its approval of the so-called Magnuson amendment. All members voted for it except the one member who was absent. All the members voted for the amendment as it was incorporated in the Commodity Credit Corporation bill.

Mr. MORSE. The distinguished Senator from Louisiana and the Senator from Oregon being very good friends, I hope the Senator will not take offense if I discuss for a moment the parliamentary implications of his suggestion. He has made an argument which is frequently heard on the floor of the Senate when something is sought to be accomplished by an amendment which is germane. I submit to the Senator from Louisiana that the Magnuson-Morse amendment is germane to the legislation which is now before the Senate. When it is attempted to have it adopted as an amendment, the argument is frequently heard which the Senator from Louisiana has made: "Why didn't you try it another way? Why didn't you try it by a separate and inde-

pendent bill?" Of course that is a matter of choice on the part of the authors of a bill. The Senator from Louisiana and I may disagree as to what the result may have been had we tried to do it in another way. The Senator from Washington and I were satisfied that we would get a much earlier consideration of our amendment if we followed the parliamentary channel which we followed this year. I think time has proved us to be right. We got it through the Senator's committee, and we thank him for the assistance he was to us. We got it through the Senate. We did pretty well. That is the choice we made.

Mr. ELLENDER. The Senator from Oregon would have had the same result if a bill had been introduced.

Mr. MORSE. The Senator and I disagree as to how well we might have done had we taken the course he now suggests. Our judgment is that we would not have done nearly so well. It is very reassuring for the Senator from Louisiana to tell us that we would have done as well but I do not know how we could have done better as far as the Senate is concerned. We did pretty well in getting the amendment attached to the bill as it passed the Senate. We followed that choice. I think it was a sound choice to make. At any rate that is the decision we reached. The amendment is germane. It is no rider. It is germane. Although there were alternatives, I confess that I am a little suspicious as to what would have happened if we had tried to accomplish the same result by a separate bill. Let me say that I have several bills sleeping on the calendar. I think those bills are very important. However, I do not seem to be able to induce the majority leader—in whose capacity my friend from Louisiana is now acting—to quite agree with me that it is important to take those bills up for formal action by the Senate. The Senator from Washington, [Mr. MAGNUSON] and I did not think we should take a chance on this issue. We succeeded in having it adopted as a germane amendment to the bill. I am now for taking the kind of action that we shall ask the Senate to take on Monday, and that is to send the bill back to conference.

#### EXTENSION OF DISTRICT OF COLUMBIA EMERGENCY RENT CONTROL ACT

Mr. CAIN. Mr. President, the junior Senator from Washington wishes to offer two brief statements.

During the course of today several Senators who were not present late yesterday afternoon when the Senate took affirmative action on extending rent controls in the District of Columbia for a period of 6 months from June 30, 1950, have inquired of the junior Senator from Washington concerning whether they would be given a future opportunity to vote against any extension of rent controls for the District of Columbia. The Senator from Washington has suggested to these Senators that the Senate rent-control-extension bill for the District of Columbia would probably go to conference, and if this action takes place, all Senators will be provided with an opportunity to vote for or against the con-

ference report as is their individual wish. The junior Senator from Washington wishes now to serve notice that he will request a ye-and-nay vote if or when a 1950 District of Columbia rent-control-extension conference report is before the Senate.

The Senator from Washington was pleased to have other Senators state to him this day that they wanted a chance to make it clear to the authorities and to the citizens of the District of Columbia that in their judgment they think it is timely to decontrol rents in the District of Columbia, and that some Senators who have recently voted in favor of decontrolling rents throughout the Nation, will not vote to continue rent controls in the District.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. MORSE. I was excused by the Senate last week from attendance on the Senate, because of an election campaign in my home State in which I am vitally interested, and during my absence the conference report on the rent-control measure came before the Senate. I had left instructions to be recorded against the conference report. I find that those instructions did not, for some reason, reach the Secretary of the Senate—through no fault of his—so I am recorded as not voting.

I want the RECORD to show that I was opposed to the conference report. I want the RECORD to show also that I think that what should have prevailed in the country should have prevailed in the District of Columbia. I was likewise opposed to the continuation of rent controls in the District of Columbia. I was paired with the Senator from New Jersey [Mr. HENDRICKSON] on the rent control bill itself, and paired against the bill. With the permission of the Senate and the Senator from Washington, I take this half minute to say, by way of reiteration, what I have said previously for the RECORD, that I was opposed to continuation of rent control, because of the inevitable answer I had to make to two questions, first, the question of fact: Did the evidence in the record show a national need, because of a Nation-wide housing shortage, for the continuation of rent control? I think the answer clearly was "No."

Second, Was the continuation of rent control justified as a matter of law? The Supreme Court has clearly held that Federal legislation in the field of rent control can be legally justified only on the basis of a national emergency. Having found as a matter of fact, by a preponderance of the evidence, a failure to establish a national emergency, because of a housing shortage, as a reason for a continuation of rent control, I had to answer the second question, so far as the matter of law was concerned, also against a continuation of rent control. I concluded that the proposed legislation could not be justified as a matter of law, on the basis of the decisions already handed down by the Supreme Court.

Mr. President, again I say that I am at a great loss to understand how any constitutional liberal, if satisfied that



the evidence did not show the need for rent control on a Nation-wide basis, could justify a vote for a bill which provides for the exercise of Federal jurisdiction over a subject matter which, in the absence of a national emergency should be handled on a localized basis in whatever section of the country there may be a local need for a continuation of rent control.

Mr. CAIN. Mr. President, the Senator from Washington is only distressed that the Senator from Oregon has spoken so briefly on such a fundamental and interesting question. It happens that the Senator from Oregon was not among the several Senators who, during the course of this day, have inquired as to whether they might have a future opportunity to vote on the extension of rent controls within the District of Columbia. It is very good to know, I wish to say to my good friend from Oregon, that when that question comes shortly before the Congress again, as it probably will, those who share his views may look to him for an aggressive vote against accepting whatever the conference report may recommend.

Mr. President, I desire now to refer to another subject.

The PRESIDING OFFICER. The Senator from Washington has the floor.  
EXTENSION OF THE SELECTIVE SERVICE ACT OF 1948

Mr. CAIN. Mr. President, yesterday during the debate on the extension of the Selective Service Act in the Senate an amendment was offered by the Senator from Utah [Mr. WATKINS] and other Senators. The purpose of the amendment was to place the authority for inductions in the hands of the Congress, rather than to have this authority remain with the President of the United States, as had been recommended by the Senate Committee on Armed Services.

The Watkins amendment was compromised by an amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL]. The amended amendment provided that both the Congress and the President would have the authority to require that inductions take place under the Selective Service Act. The Congress would assume this responsibility when it was in session, and the President would assume the responsibility when the Congress was not in session. The amendment in question was approved by the Senate, and the bill of which the amendment became a part was passed by the Senate and sent to conference.

The junior Senator from Washington, who is a member of the Senate Committee on Armed Services, opposed the Watkins amendment, and voted for the Saltonstall compromise with real reluctance. He considered the position of the Senate Committee on Armed Services to be sound and realistic. He now hopes, however, that the very least the conference committee will agree to do is to retain the Watkins-Saltonstall amendment. To reject this amendment in favor of the original House position would be, to my mind, to have no way of activating the Selective Service Act during those periods when the Congress was in adjournment or recess.

We can all hope that it will never be necessary to employ a manpower draft in America, but we will all agree, I think we must agree, that we must have a practical and daily means of utilizing selective service should a real need arise.

Mr. President, one thing became apparent to the junior Senator from Washington during the debate, which occupied most of Wednesday and Thursday of this week, and I wish to speak a word or two about it.

I believe it to be so that a number of Senators who are in favor of extending the Selective Service Act are in strong opposition to providing the President of the United States with authority to determine when inductions under the act ought to be made, because they do not trust the President, and they do not wish to provide him with the power recommended for fear that he will abuse it.

I ought to say, Mr. President; that the junior Senator from Washington has about as little confidence as anyone in the office of the President of the United States as it is now occupied and managed. He has, in fact, a deep distrust of that office. He feels that it will be good for the people of America when the present chief occupant of the White House is returned to private life.

But, Mr. President, the big question today before the Congress of the United States, and before the conference, which includes Members from both the House of Representatives and the Senate, is not my opinion or our opinion of the President of the United States, but, rather, the welfare and the good of the American people.

With reference to the Senate Armed Services Committee's recommended extension of the Selective Service Act of 1948, the advisers of the President in his capacity as Commander in Chief of the armed forces of the United States are Americans for whom the junior Senator from Washington has the fullest possible measure of respect, admiration and confidence. Had the Selective Service Act been approved as recommended by the Senate Committee on the Armed Services, the President of the United States would take his advice—from whom? From the Secretary of Defense, Mr. Louis Johnson, the chairman of the Joint Chiefs of Staff, Gen. Omar Bradley, the Army Chief of Staff, Gen. J. Lawton—called Lightning Joe—Collins, the Director of Selective Service, Gen. Lewis Hershey, the Secretary of the Army, Mr. Frank Pace, and the heads of several other services. These men, to my mind, would no more abuse and avoid the will and wish of the Congress of the United States and of the people of America, than they would be guilty of treason against the land of their birth.

The gentleman to whom I have referred will seek recourse to the Selective Service Act only if it turns out to be utterly impossible to secure the required number of enlistments from volunteers. These gentlemen, through their advice to the President, stopped using the Selective Service Act 18 months ago because volunteers were being recruited in sufficient number to maintain an ade-

quate personnel strength in the several services.

The recommended Selective Service Act extension provides personnel ceilings beyond which no one, including the President of the United States, is authorized to go without additional authority to be secured from a future Congress. In addition to this worth-while and justifiable safeguard, the Congress will continue to limit the strength of the armed services through the appropriation which the Congress makes available for the care and maintenance of military personnel. These two safeguards, it seems to me, justify granting authority to the Chief Executive to activate the Selective Service Act within the limits defined by the personnel ceilings and by appropriations.

The Senator from Washington was strongly in opposition to the Watkins amendment and was strongly in support of the committee recommendation because he sincerely was convinced that the welfare and safety of every American would be the more fully protected and maintained had the position and recommendation of the Senate Committee on Armed Services been approved by the Senate on yesterday. But, Mr. President, because of what took place yesterday, because it was felt necessary to reach a compromise position, the Senator from Washington hopes that the conference will agree to have the President of the United States share a great and a serious responsibility with the Congress of the United States in determining when the Selective Service Act shall and must be invoked.

#### EXECUTIVE SESSION

Mr. ELLENDER. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. MORSE in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable report of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

H. Freeman Matthews, of Maryland, now Ambassador Extraordinary and Plenipotentiary to Sweden, to be an Assistant Secretary of State;

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary to Iran;

W. Walton Butterworth, of Louisiana, now an Assistant Secretary of State, to be Ambassador Extraordinary and Plenipotentiary to Sweden;

Donald R. Heath, of Kansas, a Foreign Service officer of the class of career minister, to be Envoy Extraordinary and Minister Plenipotentiary to the State of Viet Nam, to the Kingdom of Cambodia, and to the Kingdom of Laos;











# Congressional Record

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PROCEEDINGS AND DEBATES OF THE 81<sup>st</sup> CONGRESS, SECOND SESSION

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No. 125

## Senate

(Legislative day of Wednesday, June 7, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, in all the confusion and perplexity of these convulsive days, our faith looks up to Thee, who dost overarch our fleeting years with Thy eternity and dost undergird our weakness with Thy strength. Standing in these epochal days in the valley of decision, strengthen our will to choose that which is morally excellent rather than that which is politically expedient. May we never hesitate when the choice is between honor and calculation.

Our hearts in sympathy leap the seas this morning with the solemn realization that this very hour, under eastern skies, men are dying for freedom rather than to live as slaves.

"God the all-righteous One,  
Man hath defied Thee,  
Yet to eternity standeth Thy word.  
Falsehood and wrong shall not  
tarry beside Thee,  
Give to us peace—a righteous  
peace—  
In our time, O Lord!"

Amen.

### THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 23, 1950, was dispensed with.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 23, 1950, the President had approved and signed the following acts and joint resolution:

S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended;

S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes; and

S. J. Res. 190. Joint resolution extending the period of effectiveness of the Selective Service Act of 1948 for 15 days.

### LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate for the remainder of the week.

On his own request, and by unanimous consent, Mr. KERR was excused from attendance on the sessions of the Senate beginning with Wednesday of this week until Wednesday of next week.

### COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. McFARLAND, and by unanimous consent, the Committee on the Judiciary was authorized to meet this afternoon during the session of the Senate.

On request of Mr. MAYBANK, and by unanimous consent, a subcommittee of the Banking and Currency Committee was authorized to continue its hearings this afternoon during the session of the Senate.

On request of Mr. McCLELLAN, and by unanimous consent, the Subcommittee on Highways of the Public Works Committee was authorized to meet this afternoon during the session of the Senate.

### CALL OF THE ROLL

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Holland	Millikin
Benton	Humphrey	Morse
Bricker	Ives	Mundt
Bridges	Jenner	Murray
Butler	Johnson, Colo.	Neely
Byrd	Johnson, Tex.	O'Mahoney
Cain	Kefauver	Pepper
Chapman	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Darby	Knowland	Schoeppel
Donnell	Leahy	Smith, Maine
Douglas	Lehman	Smith, N. J.
Ecton	Lodge	Sparkman
Ellender	McCarran	Stennis
Ferguson	McCarthy	Taft
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Tobey
Gillette	McKellar	Tydings
Green	McMahon	Watkins
Gurney	Magnuson	Wherry
Hayden	Malone	Wiley
Hendrickson	Martin	Williams
Hill	Maybank	Withers

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent. The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from North Carolina [Mr. GRAHAM and Mr. HOEY] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Wyoming [Mr. HUNT] is absent on official committee business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Minnesota [Mr. THYE], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. CAPEHART] are necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The VICE PRESIDENT. A quorum is present.

### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase



the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. Under the unanimous-consent agreement, the time between now and 4 o'clock is divided between the proponents and the opponents of the conference report, to be controlled by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Washington [Mr. MAGNUSON], respectively.

Mr. ELLENDER. Mr. President—

The VICE PRESIDENT. The Senator from Louisiana is recognized.

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. Between now and 4 o'clock the Chair cannot recognize any Senator, except the Senator from Louisiana and the Senator from Washington.

The Chair has recognized the Senator from Louisiana.

#### TRANSACTION OF ROUTINE BUSINESS

Mr. ELLENDER. Mr. President, I ask unanimous consent that Senators be permitted to submit routine matters, without debate, and that the time required for that purpose be taken from the time allotted to me.

The VICE PRESIDENT. Without objection, it is so ordered.

#### COMMUNISTS IN GOVERNMENT SERVICE—RESOLUTION OF YOUNG REPUBLICAN CLUB OF HAMMOND, IND.

Mr. JENNER. Mr. President, I present for appropriate reference a resolution adopted by the Young Republican Club of Hammond, Ind., in session assembled, supporting the efforts of the Senator from Wisconsin [Mr. McCARTHY] to rid the State Department of Communists, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas the present national Democratic administration has seemingly adopted a policy of coddling and protecting Communists and those in sympathy with the Communist Party and has refused to rid the various bureaus and departments of the Federal Government of employees who are endorsing Communists or their supporters of communistic principles; and

Whereas Senator JOSEPH McCARTHY, Republican, of Wisconsin, has almost single-handedly attempted to expose the presence of communism and Communist sympathizers in the State Department of the National Government; and

Whereas an organized and vicious smear campaign has been conducted by those in high office in order to belittle the patriotic efforts of Senator JOSEPH McCARTHY and to whitewash the State Department; and

Whereas citizens from all walks of life and from all sections of the Nation are rallying to the support of Senator McCARTHY in his demand for exposure of communism and Communist sympathizers in the State Department: Now, therefore, be it

Resolved by the Young Republican Club of Hammond, Ind., in session assembled, That this organization go on record in support of Senator JOSEPH McCARTHY, Republican, of Wisconsin, in his efforts to rid the State Department of those persons who are opposed to the principles of our Republic; and be it further

Resolved, That a copy of this resolution be forwarded to Senator JOSEPH McCARTHY, Senator WILLIAM JENNER and Senator HOMER CAPEHART.

EDWARD B. BELLAMY,  
President.  
MARIETTA A. SPANIOL,  
Vice President.  
JAMES R. TEWELL,  
Treasurer.  
MARY JANE SARGENT,  
Recording Secretary.  
PHYLLIS J. LIVINGSTON,  
Corresponding Secretary.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 3256. A bill directing the transfer to the Department of the Interior by the General Services Administration of certain property in Boise Barracks, Boise, Idaho; without amendment (Rept. No. 1866);

H. R. 5526. A bill to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; without amendment (Rept. No. 1867);

S. Res. 290. Resolution disapproving Reorganization Plan No. 24 of 1950, providing for the transfer of the RFC to Department of Commerce; without recommendation (Rept. No. 1868);

Reorganization Plan No. 23 of 1950, providing for transfer of the financing of factory-built homes from the Reconstruction Finance Corporation to the Housing and Home Finance Administrator; (Rept. No. 1870); and

Reorganization Plan No. 26 of 1950, providing for reorganizations in the Department of the Treasury; (Rept. No. 1869).

By Mr. LEAHY, from the Committee on the District of Columbia:

S. 2930. A bill to amend and clarify the District of Columbia Teachers' Leave Act of 1949, and for other purposes; with amendments (Rept. No. 1872);

S. 3350. A bill to amend the minimum-wage law by extending the application of minimum-wage orders to men, and for other purposes; with amendments (Rept. No. 1873);

S. 3658. A bill to amend the act entitled "An act to establish a Code for the District of Columbia," approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia; without amendment (Rept. No. 1874);

S. 3678. A bill to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; without amendment (Rept. No. 1875);

H. R. 4237. A bill to amend the act entitled "An act to regulate the practice of optometry in the District of Columbia"; with amendments (Rept. No. 1876);

H. R. 7662. A bill to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944; with an amendment (Rept. No. 1877); and

H. R. 7695. A bill to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; with amendments (Rept. No. 1871).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 1858. A bill to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces; with an amendment (Rept. No. 1878);

S. 1866. A bill for the relief of Mrs. Clayre Louise Forsyth; without amendment (Rept. No. 1879);

S. 2204. A bill for the relief of Rudolph Farcher; with an amendment (Rept. No. 1880);

S. 2457. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; without amendment (Rept. No. 1881);

S. 2617. A bill for the relief of Ermailinda Mary Pizzuto; with an amendment (Rept. No. 1882);

S. 2625. A bill for the relief of Ivo Marsak; without amendment (Rept. No. 1883);

S. 2897. A bill for the relief of Hyman D. Langer, his wife and daughter; with amendments (Rept. No. 1884);

S. 3017. A bill for the relief of Sgt. James C. Hollon and Bessie L. Hollon; with amendments (Rept. No. 1885);

S. 3059. A bill for the relief of John J. Sebenick; with an amendment (Rept. No. 1886);

S. 3097. A bill conferring jurisdiction on the United States District Court for the Southern District of Mississippi to hear, determine, and render judgment upon the claim of O. S. Rees; with amendments (Rept. No. 1887);

S. 3098. A bill to amend section 104 of title 28 of the United States Code so as to create a Greenville Division in the northern district of Mississippi with terms of court to be held at Greenville; with an amendment (Rept. No. 1888);

S. 3325. A bill for the relief of Isoide Bexner; with amendments (Rept. No. 1889);

S. 3610. A bill for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department; without amendment (Rept. No. 1890);

S. 3614. A bill for the relief of John B. Underwood, Jr., TMC, United States Navy; without amendment (Rept. No. 1891);

S. 3644. A bill to amend the War Claims Act of 1948, as amended; without amendment (Rept. No. 1892);

H. R. 1022. A bill conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del.; without amendment (Rept. No. 1893);

H. R. 2233. A bill for the relief of Ewa Plantation Co., a Hawaiian corporation; with amendments (Rept. No. 1894);

H. R. 2535. A bill for the relief of Samuel J. D. Marshall; without amendment (Rept. No. 1895);

H. R. 3007. A bill for the relief of Harry C. Goakes; with an amendment (Rept. No. 1896);

H. R. 4041. A bill for the relief of Parish Bros.; without amendment (Rept. No. 1897);

H. R. 4141. A bill for the relief of Edwin F. Shockley; without amendment (Rept. No. 1898);

H. R. 4364. A bill for the relief of Mrs. Ruth B. Moore, John Robert Lusk III, John R. Lusk, Sr., Mrs. Minnie P. Pruitt, and Mrs. Billie John Bickle; without amendment (Rept. No. 1899);

H. R. 4386. A bill to amend section 2 (a) and section 7 of the Foreign Agents Registration Act of 1938, as amended, to make failure of registration a continuing offense, and to continue the obligation of officers, directors, and persons acting as such, to comply with the act despite dissolution of a foreign agent; without amendment (Rept. No. 1900);

H. R. 5566. A bill for the relief of Dr. Agostino DeLisi; with amendments (Rept. No. 1901);



If Senators will be patient a little while, we will come to just decisions, we will come to decisions in which Senators on the Republican side of the Senate can have just as much voice and just as much influence as any Senator on this side of the aisle.

I beg the Senator from California to recall what I am saying now, as I have undertaken to be fair to the Senator in the past. I have already apologized for using language which probably was a little strong in one respect. However, the Senator from California himself uses rather strong language when he speaks—for instance, when he speaks about the wreckage of Chiang Kai-shek and about how we just threw him in the wastebasket—after giving him \$2,000,000,000 and after giving him arms and ammunition which wound up in the hands of the Communists and enabled them to conquer the rest of China. The Senator from California is rather rough on some of the rest of us at times. However, I do not want to have any friction with the Senator from California, because he has an abrasive way of wearing down, by constant repetition; he simply keeps on wearing down those he opposes or the views he opposes, until finally, after a while, he makes an impression.

No, Mr. President; I want Senators to know that those of us who are directly responsible, through the committees of this body, are giving this matter attention. Already this morning I have had considerable of a conference with the Secretary of State. He advised me that he would keep the Committee on Foreign Relations advised as to every aspect of this question and as to every development regarding it.

I have assured the Senator from Wisconsin—although he does not need any assurance from me, when I tell him something—but I have given every assurance to him that when I receive information about this matter, he shall know it, and know it in full; and all other members of the committee shall know; they shall counsel with us.

That, Mr. President, is what I care to say at the moment. Later on I may be provoked to add some other remarks; but for the moment that is all I care to say.

I thank the Senator from Washington and I thank the Senator from Louisiana.

Mr. WILEY. Mr. President, will the Senator from Louisiana yield me 5 minutes?

Mr. ELLENDER. I ask that the Senator from Wisconsin be recognized for not more than 5 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 5 minutes.

Mr. WILEY. Mr. President, now that everything has been smoothed out in such a lovely fashion between the two distinguished Senators and love once more rules on the floor of the Senate, I feel that perhaps, in view of the fact that my name was brought into the discussion and since I am, as the result of the illness of the Senator from Michigan [Mr. VANDENBERG], the ranking minority member of the Committee on Foreign Relations, I should say a few words.

In my opinion, the real concern of the people of America is to get an answer to the question, "Where do we go from here?" Is it a crisis of major or minor importance? Does it mean war? Personally, when the attack on South Korea became known yesterday, and I was questioned by newspapermen, I felt that I had to say, "Let us wait until we get all the facts before we go off the deep end; let us know what the situation is." I may say that I personally had the assurance to which the Senator from Texas [Mr. CONNALLY] has referred. I have also been in contact with the Secretary of State, and I feel that the thing for all of us to do is to remain calm, so that when the facts are submitted to us, we of the Senate at least will be able to give proper advice to the Executive Officer who is the constitutional spearhead in the situation which confronts the Nation.

We may ask ourselves the question, Will the invasion of South Korea provide another proving ground, as Spain did when two forces tested and proved their weapons? That is one question. Is Russia bluffing? is another question. Should we call her bluff? I think we have, in part. We have spoken to MacArthur, who is sending munitions and provisions into South Korea. We have instigated action within the United Nations. We have at least gotten things started. We are now at least indicating a positiveness of character which I think is admirable. I do not think that the practice of examining into the past and of constantly dwelling on mistakes is going to be of assistance at this particular moment, in this particular crisis, unless we can profit by our mistakes and can determine how best to meet the present situation.

One thing we want to make sure, and that is we do not focus all our attention on Korea, important as that may be. The Russian technique has always been to divert attention.

It is a serious situation, this Korean crisis, and it requires earnest and sincere consideration to the end that we act with judgment and with our eyes open to consequences. It was a mistake to divide Korea. Let us profit by that mistake and by others we have made. But dwelling on the past, with the present so full of challenges, does not get the job done that is before us.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. The Senator has indicated that we should not think of what happened in the past. But the division of Korea presented a situation, did it not, as a result of which we should have anticipated exactly what happened on Saturday evening? Is not that a fact? And, having anticipated it, should we not have been in position to act?

Mr. WILEY. I stated that the only reason for dwelling on the past is that if mistakes have been made in the past, it might enable us to profit from them. But "let the dead bury their dead." In that sense, let us go on to meet this challenge as men, with adequacy, with fervor, and, if necessary, with strength.

But I question the advisability of habitually looking at the mistakes which have occurred in the past. I do not think that habitual retrospective inquiry is calculated to make one competent to meet the problem of today, except as it leads to an avoidance of the previous mistakes.

I know our people are concerned, and they have a right to be concerned, as well as we of the Senate do. We ask ourselves, is this another spark to ignite a powder keg? Are we adequately prepared? In February, 1941, I asked that question on the floor of the Senate. I at that time asked that the President and the Secretary of State supply us with information as to how well prepared we were in Hawaii and in the Philippines. No information was received.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. WILEY. I thank the Senator from Louisiana for yielding to me.

Mr. MAGNUSON. Mr. President, since no other Senator apparently wishes to speak on this very important matter, I shall presently request that we return to the pending business; but before returning to the discussion of the conference report I should like to add a few remarks. The Senator from Wisconsin has just asked the question, Are we prepared? I may say there have been many of us in the Senate and in the other branch of the Congress of the United States who have had great concern during the past 2 or 3 years regarding the defenses of the country nearest to what might become the tinderbox of Asia. I refer to Alaska.

I am able to report a great deal of progress made by the Department of Defense, through appropriations of the Congress, in strengthening the defenses of Alaska. In Alaska we have a fine bastion of defense, both in the air and on the land; perhaps not so much as might be desired, but there has been great improvement, so that the American territory which is nearest to what may become—and which I hope will not become—a tinderbox in Asia has been rapidly developed and stands ready to serve not only as a listening post but as our farthest outpost of defense.

#### INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. MAGNUSON. Mr. President, I wish to make a statement on the measure now before the Senate, namely, the conference report on the bill (H. R. 6567). I have prepared a statement, which I want to read, but before doing so I wish to preface it with a few observations. The so-called Magnuson-Morse amendment is quite technical, and I want to be sure the Record is correct. The bill before the Senate proposes to extend the borrowing power of the Commodity



Credit Corporation. As passed by the House the bill did not contain the so-called Magnuson-Morse amendment. The Senate added to the simple House bill, extending the borrowing power of the Commodity Credit Corporation, this amendment. It is an amendment which was also added last year by the Senate to the agricultural bill. It is a very simple amendment. As I shall show later in the discussion, it is an amendment with a very technical meaning, yet its wording is very simple. In my opinion it would clarify the situation regarding the price support of agricultural products in relation to so-called reciprocal trade agreements concluded by the State Department.

Last year, when the amendment was adopted by the Senate by a very substantial vote and sent to the House for conference, it was there thrown out by the House conferees. The suggestion was made by those representing the White House that, should the Magnuson amendment be kept in the bill, the agricultural bill would be vetoed. That presented a very serious problem, because we had a bill that went into all phases of agriculture, including the matter of price supports themselves. The possibility of the whole thing being lost if the so-called Magnuson amendment were written into the bill surely should have been the subject of careful consideration by the conferees. I can see how the Senate might have yielded to the House conferees on that occasion because of the threat of a Presidential veto. I do not believe that we should legislate in that manner. But the truth of the matter is that we were nearing the end of the session. We needed an agricultural bill, and it appeared as though this amendment might have the effect of killing the bill.

But we are faced with a much different situation today. The pending bill provides a mere expansion of the borrowing power of the Commodity Credit Corporation. The Commodity Credit Corporation has the money anyway. It will have no effect upon the power of the Commodity Credit Corporation, should this bill be returned to conference through an insistence by the Senate upon this amendment. The Corporation will proceed with its business in the interests of American agriculture and in the interests of the stability of the American agricultural economy, regardless of how long it may take a conference to agree upon this amendment. So we are faced with a much different legislative situation at the present time.

Some intimation was given last Friday by the distinguished senior Senator from Minnesota [Mr. THYE] that we may be faced with another Presidential veto, should the Magnuson-Morse amendment remain in the Commodity Credit Corporation bill. I do not know about that, but it seems to me that those in the State Department and in the White House, since the adoption of the amendment last fall, probably should have profited by certain of the things which have happened in relation to price support of agricultural products in relation to imports.

It is my definite opinion, Mr. President, that had this amendment been in the agricultural bill a year ago we would not have experienced the so-called potato scandal. Many other problems affecting agricultural production would have been solved had this amendment been in effect.

Let me also invite attention to the fact that last year we were approximately in the middle of our normal 3-year trade agreements. Ninety percent of them expire at the end of this year, and we are now in the process, through reciprocity committees, the Tariff Commission, and the State Department, of attempting to negotiate new trade treaties with all nations which signed the Geneva Conference report. So it is very important that we insist upon this amendment as it affects reciprocal trade agreements and new trade treaties. It is much more important at this time. Our experience in the past should certainly show the necessity of such an amendment; and the fact that we are about to negotiate new trade treaties makes the situation more important to meet than it was previously. Were we not in that position, I probably should not insist upon the amendment and that the conference report be sent back.

Mr. President, before presenting further arguments for rejecting the report I want to clarify two important points which are involved. The so-called commodity credit bill, House bill 6567, as passed by the House, was a very simple and short bill. It merely increased the borrowing authority of the Commodity Credit Corporation by \$2,000,000,000. Sections 1 and 2 of the Senate bill conform exactly to the House version, both in language and in purpose.

The question of increasing, by \$2,000,000,000, the borrowing power of the Commodity Credit Corporation, therefore, was not in controversy when the bill went to conference. Both House and Senate were in complete agreement that the CCC's borrowing authority should be increased.

In consequence, any Senator who votes with me to reject this conference report cannot be accused, by that action, of being against the farmers of this country. Irrespective of whether we send this bill back to conference, a \$2,000,000,000 increase in the CCC's borrowing authority is assured.

The only question before the conferees had to do with section 3 of the Senate version of House bill 6567. Section 3 is the so-called Magnuson-Morse amendment. In reality, section 3 is in the nature of a substitute for section 22 of the Agriculture Adjustment Act as it now stands. If we reject the conference report today, section 3, the Magnuson-Morse amendment, again will be the only issue before the conferees.

I now undertake to demonstrate that failure on the part of the Senate to reject this report will jeopardize two major programs vital to the welfare of our Nation. Failure to reject this report will jeopardize our price support and related farm programs. It will also jeopardize the reciprocal-trade program.

To understand what the conferees have done we need to review briefly the intent and purpose of section 22 of the Triple A Act and the intent and purpose of the Magnuson-Morse substitute for this section.

Section 22 of the AAA Act was designed to provide a means of protecting domestic agricultural producers—under certain circumstances—from ruinous imports. As a corollary, it was designed to insure that the taxpayers and the Treasury of this country would not be required to support the price of foreign production of commodities, enjoying price support in this country. It was designed to insure that our farmers who agree to measures designed to protect their domestic market would not be penalized twice over—I say “penalized twice over” because the more successful our farmers and this Government are in stabilizing domestic prices at a decent level the greater will be the attraction for imports—the greater will be the incentive for the foreign farmer to attempt to break into this market.

Some reasonable machinery for preventing the destruction of domestic farm programs must be assured, otherwise the taxpayers of the country will resist and ultimately eliminate both the farm program and the reciprocal-trade program.

The Magnuson-Morse amendment seeks to make section 22 an effective tool. It consists of two somewhat separate but closely related parts. Subsections A, B, C, D, and E contain the machinery for dealing with imports which threaten to destroy the effectiveness of a marketing agreement, price support, school lunch, export subsidy, domestic diversion, acreage allotment, or similar farm program.

Under section 22 as it existed prior to the Eightieth Congress the President was authorized, if circumstances warrant it, to impose an import fee up to 50 percent ad valorem, or to proclaim a quota limiting the amount of the imports to not less than 50 percent of the imports during a representative period in the past.

To assist in discharging this responsibility the President issued Executive Order No. 72, dated November 23, 1935. Section 22 has been the law of the land since that time. In this order the President delegated to the Secretary of Agriculture authority to make a preliminary investigation of alleged interference by imports with a domestic farm program authorized under the Triple A Act.

The theory was that the Secretary of Agriculture would make a preliminary investigation. If this investigation convinced the Secretary that imports were creating a serious problem, particularly with reference to farm surpluses, he would recommend to the President that the machinery of section 22 be set in motion.

The President would set the machinery in motion by instructing the Tariff Commission to make a thorough investigation of the alleged destructive impact of imports. The Tariff Commission would then make its investigation and would report back to the President.



The President would then have to decide what, if anything, should be done. He might proclaim an import fee on the troublesome commodity, or he might impose a quota, or he might take no action whatever. As the chief executive of this country he would make the final decision. His authority was permissive, not mandatory.

What did the Magnuson-Morse amendment propose to do about the mechanics of section 22? I preface this by saying that experience has shown that in the case of a perishable crop, the season is over before the relief provided under section 22 can be made available. By the time the Secretary makes an investigation, reports to the President, the President orders the Tariff Commission to investigate, the Tariff Commission reports back to the President, and the President makes up his mind, the season is over; the damage is done.

I might add that the same is true with reference to nonperishable crops. The procedure requires months, and sometimes decisions are delayed as long as 17 or 18 months or 2 years. So section 22, which has been the law of the land and designed to protect our agricultural economic stability, has had practically no effect with reference to ruinous imports.

Our amendment seeks to streamline this procedure. It transfers to the Secretary of Agriculture full and final responsibilities for investigating the alleged injurious effect of agricultural imports upon the farm program. My amendment streamlines section 22 so that only one investigation is necessary. Under it, the Secretary of Agriculture would hold a public hearing, determine the facts, and transmit his findings to the President. The President would either proclaim an import fee of not more than 50 percent ad valorem, proclaim a quota, or would do nothing, depending upon the circumstances in the particular case. Under our amendment, the Secretary of Agriculture is made the investigator, the collector of facts. He does not make the final decision. As is the case under the present law, the President himself has the final word.

Let us see how this would work. Last year, in the case of imports of potatoes, which did not directly cause the trouble we had with potatoes, but seriously aggravated the trouble, the procedure could have taken place within 2 or 3 days. I am sure if the President had had this authority a great deal would have been done immediately to take care of the troublesome potato problem. Under section 22 it would take months to take any action. All this amendment does, in one respect, is to streamline the procedure.

I have gone into the mechanics of section 22 at some length because there was a great deal of confusion in the House on this score when this conference report came up over there for debate a few days ago. As a matter of fact, anyone who reads the five or six pages of colloquy between the House conferees and House Members seeking information can hardly escape the conclusion that the House conferees were themselves confused with

respect to the real significance of their action. For example, on page 9051 of the June 20 RECORD the chairman of the House conferees said:

What does the Magnuson amendment do? The Magnuson amendment places the responsibility in the Secretary of Agriculture. He not only makes the complaint, he tries the case, and he renders the verdict. You talk about the administration wanting more power. Where could the administration have more power than that?

Actually, as I have already stated, the Magnuson amendment does not give the Secretary of Agriculture responsibility for making the complaint, trying the case, and rendering the verdict. Under the Magnuson-Morse amendment the Secretary would collect the facts, but the President would render the verdict. They have that power now, except that it involves a very cumbersome procedure to arrive at.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. WILLIAMS. Is it not a fact that the sole purpose of the Magnuson-Morse amendment is to make certain that the money which the Department of Agriculture would spend under the support program would be spent for the benefit of the American farmers and not for the purpose of setting up a world-wide agricultural support program?

Mr. MAGNUSON. That is correct. Furthermore we seek to protect the Department of Agriculture itself so that they would stay within the framework of the intent of Congress. In other words, we would not have the situation of the Department of Agriculture taking the taxpayers' money out of one pocket to maintain the price-support program and the State Department spending money out of the other pocket by allowing imports to come in under trade agreements, with the result of wrecking the price-support program.

Mr. WILLIAMS. Without this amendment in the bill we would be supporting agricultural products throughout the world. Is that not correct?

Mr. MAGNUSON. of course; and that is what we have been doing, because under section 22, the procedure is so cumbersome that by the time they get around to it, even if the President did make a decision which he thought should be made under the circumstances, the damage is done and we have poured out taxpayers' money to keep an agricultural product at an economic stable level.

If the President wishes to call the Tariff Commission in to advise him, there is nothing to prevent that in section 22 as we propose to amend it. Under our amendment, however, the Tariff Commission would not be brought into the problem except on an advisory basis and at the request of the President.

The Congress has placed responsibility for administering the price support program in the hands of the Secretary of Agriculture. He should have parallel authority over imports, subject, of course, to the limitations of section 22 itself. In supporting prices the Secretary has to deal with the "total supply in the mar-

ket place." The total supply is made up of domestic shipments plus imports.

I want to make just one more point with reference to the streamlining provisions of the Magnuson-Morse amendment. A subcommittee under the able chairmanship of the senior Senator from Louisiana held hearings on this amendment on Tuesday, March 21, 1950. Not a single witness from the Department of Agriculture appeared before the subcommittee to testify against the Magnuson-Morse amendment. This is significant because in the House debate conferees asserted that the Secretary of Agriculture is opposed to our proposal. If this be true, he missed an excellent opportunity to make his views known when he failed to appear either in person or by representative before the subcommittee headed by the Senator from Louisiana on March 21 of this year.

I believe that the streamlining provisions of the Magnuson-Morse amendment are a tremendous improvement over the present cumbersome machinery and should be adopted.

Let us now turn to the more controversial subsection of section 3 of H. R. 6567. I remind Senators again that section 3 is the Magnuson-Morse substitute for the existing section 22.

The Eightieth Congress added a subsection (f) to section 22. As a practical matter this action nullified section 22. The most important single provision of our amendment, therefore, relates to existing subsection (f).

This is a very technical matter, and the House conferees were confused by it. I quote subsection (f) of section 22 of the Agricultural Act, as follows:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

In other words, by section 22, which is the law of the land, we sought to protect the price-support program, but under subsection (f) the intent of Congress is completely nullified, and in effect we say to the State Department: "You can run willy nilly to England and make all the trade agreements you want, and allow to come into this country all the agricultural imports you want to allow to come in, despite the fact that it is going to cost millions of dollars of taxpayers' money to support the price of the product which is jeopardized by the imports." Mr. President, I say that does not make sense. Either we should repeal section 22 and subsection (f), which are now the law of the land, or we should adopt the Magnuson-Morse amendment. The two are completely inconsistent.

The State Department keeps coming to Congress and insisting it has that power, in contravention of the intent of Congress when it passed the original Agricultural Act, and in contravention of the interests of the taxpayers, who have to pay for the price-support program.

As the Senator from Oregon has stated, I, too, as a long-time supporter of reciprocal trade agreements, having voted



for their extension during my 14 years of service in Congress, think that leaving this authority in the State Department does more harm than any other one thing I can think of. Hence the suggested amendment. Subsection (f) of our amendment reads as follows:

No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this session.

In other words, we say to the State Department, "When you make these agreements, pay attention to this fact, and place in the agreement the authority of the President of the United States to have a flexible jurisdiction over any type of ruinous imports which affect the price-support program."

Mr. MORSE. Mr. President—

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Washington yield to the Senator from Oregon?

Mr. MAGNUSON. I yield.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that in essence what the Magnuson-Morse amendment seeks to accomplish, and probably will accomplish, is that it will make available to the administration the facts they need, in advance of any damage being done to the agricultural industry of this country, whereas the conferees' report has the bad defect of permitting the damage all to be done in the first instance, and then trying to lock the stable door after the horse is gone?

Mr. MAGNUSON. That is exactly what has happened in many cases, and the most crying example was afforded by the potato crop last fall. The amendment protects reciprocal trade agreements within the framework of what we are trying to have. The Geneva agreement took cognizance of the fact that there were governments which had government-supported agricultural programs, and the nations agreed in Geneva that in making trade agreements that should be taken into consideration, and there could be no objection on the part of any signatory nation to the inclusion in our trade agreements of such a provision as the Senator and I propose.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that at least in our conversations with the State Department officials we have a great deal of difficulty in getting them really to raise any objections to the purposes which we seek to accomplish, but that their general attitude is, "We do not need to have this safeguard put into the law"?

Mr. MAGNUSON. That is it; they say, "We will take care of it," and, of course, they do not take care of it. They go to trade conferences, but they have never paid any attention to having any trade agreement written in accordance with our price-support program. They have allowed agricultural imports in some cases to result in greater costs to our Government. In Geneva we agreed,

and all the signatory nations agreed, to what we are proposing.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. MORSE. I am trying to analyze the attitude of the State Department. I desire to be fair to them, but I am going to insist that they in turn be fair to the agricultural interests of the United States.

Does the Senator come away from some of those conferences with State Department representatives with the feeling which the junior Senator from Oregon has, that apparently what they want is a law so broad that there are not written into it any legislative checks imposed by Congress which will in any way slow them down at the trade conferences, but will leave them free really to bind this country in the first instance at the conferences, expecting, of course, that once they enter into an agreement, we will rubber stamp it when they get back?

Mr. MAGNUSON. Of course, that is exactly their attitude. They like to go to the conferences with a blank check, and make such agreements as they desire. Then they say to themselves—I do not know, but I imagine this is their thinking—"Perhaps we can agree with some country on olive oil, or citrus fruit, or apples, or wheat, and we might as well let them bring in more, because it will not make any difference, the Agricultural Department will have to pay more for price supports." Thus they can take care of some of their favorite subjects in the trade agreements.

I would not propose any free trade, but I have been for a Government support program. The State Department represents one arm of the Government, the Secretary of Agriculture represents the other arm.

I agree with the Senator from Oregon, and I said the other day, when appearing before the Reciprocity Committee, in connection with our plywood problem, that if they keep up their endeavors to such a point that they are ruining industries in geographical areas, where there is not a great spread, they are going to create a sentiment in this country which will ruin the reciprocal trade program, and put us back under the tariff wall program, which neither the Senator from Oregon nor I desires.

Mr. MORSE. Mr. President, will the Senator yield again?

Mr. MAGNUSON. I yield.

Mr. MORSE. Does the Senator from Washington find himself in somewhat the same position in which the junior Senator from Oregon has found himself, so far as political campaigning has been concerned, when he has answered questions from the economic reactionaries, who would take us back to a Smoot-Hawley situation, to a tariff that would result inevitably in war just as surely as we stand here today? The junior Senator from Oregon finds himself as a defender of reciprocal trade in the position of having such reactionaries say, "Look at what it is doing to the fruit industry of the Pacific Northwest, look at what it is doing to the lumber industry of the Pacific Northwest, look at what it is do-

ing to America in general," leaving us only with the argument, "I hold no brief for the abuses of the reciprocal trade program, but I am trying to iron out those abuses." That is why I have joined with the Senator from Washington in the so-called Magnuson-Morse amendment to the bill. Does the Senator find himself in that position?

Mr. MAGNUSON. I imagine we have both found ourselves in that position, and even though I cannot defend some of the things done, I am a great supporter of reciprocal trade. The real danger is that if this tendency continues, and the officials of the State Department will not accept arguments such as those now being made here, when they come before Congress next year and ask for an extension of reciprocal trade agreements, they will find those who must represent their districts in opposition, saying, "This agreement has ruined an industry in my area, and I cannot vote for its extension," and we will go back to the old protective tariff situation. As the Senator has said, I know of no quicker road into world war III than going back to the Smoot-Hawley tariff, which some of our enemies would like to see happen.

Reciprocal trade agreements do not mean free trade, they mean working out protection for certain industries within the framework of the law. The amazing thing is that the State Department knows that at the Geneva Conference, where 60-some nations signed their names to the pact, in article 11 they agreed to recognize the fact that we did have some Government-supported programs, and they said, "They must be fools if they would allow us to bring in imports which would wreck the Government-support program." And I think we are. But the State Department seems to want the authority to go to England next fall and dicker all over again, and bind us to the principle of trade treaties, which is all right, but it will have the effect of costing the American taxpayers—all the taxpayers, not only the farmers, but all of us—more money, because we are going to have to support agricultural prices. This amendment offers a simple way to protect us, to protect the farmer, and all the taxpayers. It offers a very simple way to put into the minds of the American people a reaffirmation of faith in reciprocal trade agreements which we can negotiate and at the same time protect ourselves, to the mutual benefit of both parties to the agreements.

Mr. President, I read section (f) of section 22, which gives the power and the authority the administration of which the Senator from Oregon and I criticize. I also read the proposed amendment, which just reverses the procedure. That is what it does.

As to subsection (f) of section 22, we merely say that in the future when the Department makes trade agreements it must take into consideration the fact that we do have a price-support program.

Mr. MALONE. Mr. President, will the Senator from Washington yield?



Mr. MAGNUSON. I yield to the Senator from Nevada.

Mr. MALONE. I should like to ask the distinguished Senator from Washington just what it is he thinks this amendment will do and what effect it will have on the State Department when they make these so-called reciprocal trade agreements. As the Senator knows, the two words, "reciprocal trade" do not appear in the 1934 Trade Agreements Act at all, and it is not the intention of the State Department to bring about reciprocal trade. It is a one-way street in leveling our standard of living with the nations of the world through an arbitrary lowering of the tariffs and import fees without regard to the differential of the standards of living between this country and the competitive nations. Will the Senator tell the junior Senator from Nevada just what he thinks will be the effect of the amendment?

Mr. MAGNUSON. I will read again the language of the amendment. We say:

No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination in contravention of this section.

Section 22 with respect to a price-supported agricultural product merely sets up a procedure whereby, when the Secretary of Agriculture certifies that there is a surplus, and that there is need to support the prices, the President can add a 50 percent ad valorem tax or establish quotas which will bring the exports down to the point where they will not be injurious to our agricultural products. That is the procedure, but subsection (f) nullifies it. We streamline the procedure, because even if we were to go back to section 22 it would take months and months and months to accomplish what section 22 provides. So we say that when the Secretary of Agriculture, who is in charge of the agricultural program, who must determine price supports, who must determine marketing agreements affecting the things that relate to the farm program and its economic stability, who is a fact finder in this case, finds that an import is injurious to a Government-supported agricultural product, commodity, or program, he shall report that directly to the President, and the President can act immediately by adding 50 percent ad valorem tax or establishing a quota. It is as simple as that.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MALONE. Just what crops does the amendment of the distinguished Senator from Washington include?

Mr. MAGNUSON. It includes all crops under our so-called farm program. That would be price-supported crops, crops under quotas, under acreage allotments. That would be crops under marketing agreements. That would be crops that might be purchased by the Government for various reasons, school lunches, and things like that. It would include such crops. It would include practically the main substance of our agriculture, I would say.

Mr. MALONE. The entire range of crops that are supported under the price-support program?

Mr. MAGNUSON. It includes those definitely. Those under marketing agreement, those under any Government program which costs the Government money to maintain.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. Yes.

Mr. MALONE. Then it puts definitely into the hands of the Department of Agriculture, or the Secretary of Agriculture, the complete judgment? It is up to his judgment entirely for decision? The decision rests upon no one else's judgment as to when these quotas and corrections shall be invoked? It is entirely in the power of the Secretary of Agriculture?

I agree with the senior Senator from Washington that a tariff or import fee should make up that differential of cost of production between this country and the competitive nations; flexible and in the hands of a nonpartisan authority.

It would be administered on a basis of fair and reasonable competition; there would be no question of a high tariff or a low tariff; but would represent the difference in the wage standard of living.

Mr. MAGNUSON. No. Let me answer the question. The Senator remembers that we have two purposes in the amendment. One is to put a check on the State Department in making the agreements. I think the Senator agrees with that provision. The other is the procedure when it is found that an import is injurious to a Government-supported agricultural-crop commodity program. In section 22, which has been the law of the land since 1935, a procedure was set forth. There was no check on the State Department, but there was a procedure established. That procedure was that the Secretary of Agriculture should make a determination that an imported product, such as that on which the Government was supporting a surplus, became injurious to that program. Then he would send that finding to the President. Then the President would send it to the Tariff Commission, which would hold hearings—maybe. I do not whether they would. Sometimes they do not even hold hearings. Then the Tariff Commission would report back to the President, and the President would have the authority to establish a quota or to add 50 percent ad valorem tax. That procedure required months and months. The damage was already done before action to prevent it could be taken. In the case of perishable crops, two seasons could go by before something would happen to protect us from injurious imports.

Under our amendment, we do two things. We say to the State Department, "When you make these international agreements, you shall have a clause in them which provides that when the Secretary of Agriculture, as a fact finder alone, determines that imports are injuring a program which he must administer with taxpayers' money, he shall report it directly to the President of the United States, and then the President

can either do what he is allowed to do under section 22, directly add 50 percent ad valorem, or establish a quota, and do it immediately.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Louisiana.

Mr. ELLENDER. Is it not a fact that after the findings are made by the Department of Agriculture the President may by proclamation impose fees, and so forth?

Mr. MAGNUSON. That is correct. It is permissive.

Mr. ELLENDER. The present law says it shall be done. Is that not a fact?

Mr. MAGNUSON. No.

Mr. ELLENDER. Let me read to my good friend section 22 in that respect.

Mr. MAGNUSON. Let me interrupt my friend. Section 22, yes; but section 22 has been nullified by subsection (f), and the President has never taken such action.

Mr. ELLENDER. I thought my good friend from Washington admitted last Friday in debate that as to any crops which can be controlled either through marketing agreements or any other production controls, the conference provision will be as effective as section 22 under the amendment of the Senator from Washington and the Senator from Oregon.

Mr. MAGNUSON. Oh, I think it would be as effective if section (f) were knocked out, but the conference procedure will have no effect at all.

Mr. ELLENDER. Is not the difference in procedure only this: under the conference agreement the Secretary of Agriculture initiates the matter?

Mr. MAGNUSON. The same as under section 22.

Mr. ELLENDER. No. Under Section 22 the President does it, and then the second step, as to who shall carry on this investigation, the Senators' amendment provides that the Department of Agriculture shall make the investigation—

Mr. MAGNUSON. The investigation shall be made by the fact finders.

Mr. ELLENDER. Whereas under the conference agreement it remains as it is.

Mr. MAGNUSON. It is with the Tariff Commission. They are the fact finders.

Mr. ELLENDER. Yes. The essential difference from that point between the Senators' amendment and what the conference report proposes is that if the Secretary of Agriculture makes a finding, the President may exercise a certain right given to him under section 22. Whereas under our compromise agreement the President shall by proclamation impose such fees and so forth as are provided under the law.

Mr. MAGNUSON. After the finding by the Tariff Commission.

Mr. ELLENDER. Certainly.

Mr. MAGNUSON. That is my point.

Mr. ELLENDER. And after the finding by the Department of Agriculture, the President may invoke section 22. The point I am urging upon my distinguished friend is that under the Senators' amendment the President may do



a thing, but under the conference report provision he shall do it.

Mr. MAGNUSON. That would be the case if the Tariff Commission agreed.

The point I wish to make to my distinguished friend is this: I do not know whether he has had any experience with trying to invoke the provisions of section 22, which was nullified, insofar as efforts of the State Department to make agreements are concerned. However, even if we tried to invoke section 22 or the procedure suggested by the conference report, I guarantee that that procedure would take no less than 12 months. By that time the perishable crops would be off the market and another crop would be coming on. The procedure in the Tariff Commission is very cumbersome and slow. The Commission holds hearings, but that procedure takes a very long time.

Under our amendment action can be taken very quickly.

Mr. ELLENDER. Does the Senator mean that under the amendment action could be taken without having investigations?

Mr. MAGNUSON. The Secretary of Agriculture will be the fact finder, under our amendment.

Mr. ELLENDER. But would he not be obliged to go into all the facts to the same extent?

Mr. MAGNUSON. Yes; but he could do that easily, because under the price-support program he is the administrator, and from week to week he knows what the facts are.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. Would it not be necessary for the Secretary of Agriculture to have a large corps of employees to make the investigations?

Mr. MAGNUSON. Oh, no. I can go to the telephone in the cloakroom now and telephone the Department of Agriculture, and in 1 hour the Department of Agriculture will give me an answer as to how many potatoes, for instance, are coming in and how they will affect the crop the Department estimates for this year; or in equally quick time the Department of Agriculture can give me the corresponding information in regard to citrus fruits or other agricultural commodities. The Department has all the information at its fingertips.

However, the procedure by means of the Tariff Commission is cumbersome. The Tariff Commission is not at all conscious of the price-support situation. That procedure will take months, and that is what we are complaining about.

Mr. ELLENDER. Mr. President, I should like to have the Senator show me what provision of his amendment would change the procedure as to the fact finding, except that under the present law it is to be done by the Tariff Commission, and under the Senator's amendment it would be done by the Secretary of Agriculture.

Mr. MAGNUSON. That is correct.

Mr. ELLENDER. I say that either one will have to go through the same procedure in order to arrive at an understanding of the over-all situation.

Mr. MAGNUSON. No.

Mr. ELLENDER. How would the Department of Agriculture act otherwise?

Mr. MAGNUSON. They do not have to obtain anything except a picture of the Government's price-support situation. That has nothing at all to do with imports or with trade treaties. If the other part of my amendment carries, the law then will be that if the State Department makes trade treaties, it must make sure that they carry out the provisions of section 22, which was nullified by the Eightieth Congress by the adoption of subsection (f).

Mr. ELLENDER. Mr. President, I should like to call to the attention of the Senator the language of his amendment which, I may say, is no different from the language of the present law.

Mr. MAGNUSON. I wish the Senator would consider the over-all situation in this respect. He agrees with me, I am sure, that there are two parts of my amendment. One part deals with the making of international trade agreements. The other part of the amendment deals with the procedure to be followed if the amendment is invoked.

Mr. ELLENDER. But the law would not be changed in any respect by the amendment; under the amendment, the law would be identical with the law as of the present time. The only change the Senator's amendment would make would be that the Department of Agriculture would make the finding, instead of having the Tariff Commission. That is the only difference. The procedure in regard to obtaining the results would be the same. If that is not so, I wish the distinguished Senator would explain to me the difference between the present law and his amendment. The language of each is the same throughout.

Mr. MAGNUSON. Except that we would reenact the language of section 22, which was practically nullified by the language of subsection (f), because subsection (f), which was adopted by the Eightieth Congress—

Mr. ELLENDER. Mr. President, I am talking about procedure, not about subsection (f).

Mr. MAGNUSON. I agree with the Senator from Louisiana that the procedure would be the first point to be considered; and under the procedure, the matter would go first to the Secretary of Agriculture, and then to the President, and then to the Tariff Commission; and the Tariff Commission would make a report to the President; and then the President could act if he wished to do so.

Mr. ELLENDER. In other words, that is the procedure which would be in force under the Senator's amendment.

Mr. MAGNUSON. No; that procedure would be in effect under any amendment, because the President can evaluate the report of the Tariff Commission in any way that he wishes. We cannot force the President to act. We may say that he shall act, but he does not have to act.

Mr. ELLENDER. I had in mind the findings. Under the Senator's amendment, after the findings are made by the Secretary of Agriculture, the President may act. However, under the findings made by the Tariff Commission, the

President, must act, according to the provisions of the conference report.

Mr. MAGNUSON. That would depend upon what language the Tariff Commission used in its report to the President. I do not think the President need act under either provision; but by means of our amendment we would simplify the procedure.

I cannot understand why the conferees were not willing to simplify the language and the procedure. What was the objection?

Mr. ELLENDER. We were trying—

Mr. MAGNUSON. Of course I appreciate the position of the Senate conferees, but my question is in regard to the House conferees.

Mr. ELLENDER. The House conferees took the position that inasmuch as the Tariff Commission was more or less of a bipartisan body and was in a position to study the over-all picture, it would be better to leave the procedure as it is, rather than to place the responsibility on the Department of Agriculture.

Mr. MAGNUSON. Very well. What was the objection to changing the language from subsection (f), which gives the State Department unlimited power to make agreements in contravention of a price-support program, as against the language of our amendment, which the Senate adopted, under which no international agreement shall hereafter be entered into or renewed, and so forth, in contravention of this section.

Mr. ELLENDER. The House conferees felt that if the language thus proposed remained in the bill, it would do violence to our trade-agreement program. That is what they said.

Mr. MAGNUSON. That was the position of the State Department, was it not?

Mr. ELLENDER. No; that was the position of the House conferees. That is what I am talking about.

Mr. MAGNUSON. Well, that is the State Department's position.

Mr. ELLENDER. However, the conferees finally agreed to a report which would make it impossible, as it were, for the President to enter into any future trade agreements unless article XI and XIX of GATT were taken into consideration. In other words, the President today cannot bypass those provisions of GATT in future agreements.

Mr. MAGNUSON. I understand that. However, title 11 is not sufficient.

I do not want the President or the Secretary of State or the trade negotiators to bypass the avowed intent of Congress, as set forth in section 22, that imports shall not be allowed under trade agreements, if such imports will injure the price-support program.

In other words, the conferees shifted over to GATT. Article 11 is rather flexible; and the representatives can go to England this fall and can do a great many things. That is my point.

I agree with the Senator that perhaps there is some argument as to the merits of the procedure. I was simply trying to streamline the procedure, and I was trying to make it easier to be used, so that the President of the United States could act quickly.



In other words, if action were taken to begin to engage in dumping operations under the Canadian trade agreement, in the case of deciduous fruit, by the time the Tariff Commission was appealed to and by the time the Tariff Commission went all through its procedure, the situation complained of would have ceased to exist; it would be over. The crop would have been marketed; or, if the Government was supporting the price, the Government would have to dig down into its pockets and pay more money.

This amendment provides procedure by which action can be taken quickly; but under the amendment the final decision still will rest in the President of the United States.

Mr. President, there has been some discussion as to the meaning and effect of the present subsection (f) and as to what the conferees did.

Let us consider the present language. When we say that this section shall not be enforced in contravention of any international agreement, we are simply saying, in effect, what has been done all these years, namely, that no part of section 22 may be enforced if such action conflicts with general agreements on tariffs and trade, as negotiated by the State Department.

To put the matter in another way, subsection (f), as adopted by the Eightieth Congress, subordinates section 22 to existing and subsequent agreements.

By means of the Magnuson-Morse amendment we seek to preserve the integrity and intent of section 22, by saying to the State Department, "Here is exactly what we do: We say you cannot enter into any new trade agreements or you cannot extend existing agreement when they terminate, 2 or 3 years hence, if such action will be in contravention of section 22." Congress adopted section 22. Congress did not adopt article 11, and it should have no part in the agricultural program.

To put it another way, subsection (f) as adopted by the Eightieth Congress subordinates section 22 to existing and subsequent agreements.

In the Magnuson-Morse amendment we seek to preserve the integrity and intent of section 22 by saying to the State Department, "You cannot enter into any new trade agreements, or extend existing agreements, when they terminate 2 or 3 years hence, in contravention of section 22." We are saying, "unless, and until section 22 is written off the books, you must observe it in writing trade agreements."

Why should the State Department object to that? Does it want to proceed further and make trade agreements in contravention of the laws of Congress? The Department representatives came here to try to convince the Senate committee that that should be done. The Senate committee did not agree with them. But apparently, the House conferees think it is all right for the Department to make international trade agreements in contravention of the laws of Congress, and that they should be given that authority. I think it is time we put this check upon it, particularly

in those instances where the taxpayer is paying for the agricultural support program.

This then, was the intent of subsection (f) of the Magnuson-Morse amendment as contrasted with present language.

The amendment was adopted unanimously by the Senate Agriculture Committee as section 3 of H. R. 6567. Not a single voice was raised against it here on the Senate floor. Last year it was adopted by a vote of 44 to 28 as an amendment to the Anderson bill. Last year the Senate conferees on the Anderson farm bill deferred to the House conferees, and the amendment was lost.

I pointed out previously that in the colloquy which took place on the floor of the House recently no one seemed to understand what was being sought to be done. The State Department seems to have confused everyone about it.

This year the amendment was taken to conference and what happens? The conferees agreed to so-called compromise language, which compromises the Magnuson-Morse amendment out of the bill entirely.

The language of subsection F, agreed to by the conference, is worse than no language at all—is worse than the language we seek to eliminate. In about three times as many words the compromise section again nullifies section 22 and again subordinates it to the General Agreement on Tariffs and Trade.

Furthermore it is highly significant that the language agreed to by the conferees is precisely the language recommended to the Senate Agriculture Committee, in March, by the State Department.

I hope the Senator from Louisiana will bear with me while I repeat that statement. It is highly significant that the language agreed to by the conferees is precisely the language recommended to the Senate Agricultural Committee, in March, by the State Department.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. The Senator is correct. That was by and with the consent and approval also of the Senate Committee on Finance, as well as of the Committee on Foreign Relations.

Mr. MAGNUSON. I appreciate the fact that the Senate approved it.

Mr. ELLENDER. All those interested in the subject had their representatives present, and an effort was made to use language which would be acceptable to all concerned.

Mr. MAGNUSON. What I am trying to point out—and it is somewhat more than significant—is that the opposition to this came constantly from the State Department, which wants authority to make trade agreements in contravention of the laws and of the intent of the Congress. If it is desired to give the State Department that authority, let us repeal section 22 to allow the Department to proceed to make agreements to permit the importation of agricultural products, and forget about section 22.

I say it is somewhat significant that the language agreed to by the conferees

is precisely the language recommended to the Senate Agricultural Committee, in March, by the State Department.

Reference to this fact is on page 6 of the Committee report on H. R. 6567. Let me read the most pertinent paragraph. I am reading now from page 6 of the committee report dated March 30:

In accordance with this understanding representatives of the State Department met on March 27 with staff members of the Senate Foreign Relations Committee and Senate Agriculture Committee and an attorney from the office of the Senate legislative counsel. The following amendment to the language of the pending bill has been suggested as a result of this meeting which your subcommittee submits to the full committee without recommendation.

There follows then, the full and exact text of subsection (f) adopted by the conferees.

When the question of adopting this proposal came before the full Senate Agriculture Committee, it was rejected unanimously—the Magnuson-Morse language was adopted unanimously.

The Senate is asked now to agree to a proposition which its own committee has already considered and discarded.

Let me read the conference language, omitting some of the excess verbiage, so its full import may be more readily understood:

No proclamation under this section shall be enforced in contravention of any treaty or international agreement to which the United States is or hereafter becomes a party—

Up to this point the language is exactly the same as subsection (f) adopted by the Eightieth Congress. It continues:

but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section \* \* \* to the full extent that the General Agreement on Tariffs and Trade, \* \* \* permit such enforcement.

Now what does that language mean? If I understand English correctly, it means that any action taken under section 22 against imports must be in conformity with action permitted under the General Agreement on Tariffs and Trade. The language of the conferees simply means that the President can take no action under section 22 in contravention of General Agreement on Tariffs and Trade.

In one sense, adoption of this conference report will constitute ratification of article II of the General Agreement on Tariffs and Trade. From this point of view, the language of the conferees is even more objectionable than subsection (f) as it now stands.

Boiled down to its essence, the language agreed to by the conferees subordinates section 22 to existing and future agreements.

If we adopt this language we will be saying to the State Department, "We forgive you all past transgressions upon section 22. We authorize you to go your way and sin some more—as long as your future transgressions make no greater inroads on section 22 than those of the past."



I return to the thesis I have expounded on this floor for the last 2 years—either make section 22 an effective tool or take it off the statute books. Either give the President workable authority to deal with imports that destroy the effectiveness of a domestic farm program, or repeal the program itself. In my judgment, the American people will not long consent to a course of action which requires them to support both domestic and world prices.

I urge the Senate to reject this report, thereby indicating to our conferees, that the Senate wishes them to insist upon its amendment.

I remind the Senators again that a vote to reject the conference report cannot be interpreted by anyone, by any stretch of the imagination—as a vote against the \$2,000,000,000 increase in the borrowing authority of the Commodity Credit Corporation. A vote to reject the conference report is a method of serving notice upon those who have responsibility for trade-agreement programs, that they cannot by executive action nullify the law of the land. I repeat, that by rejecting the conference report we shall in no way be jeopardizing the extension of the borrowing power of the Commodity Credit Corporation. The language on that subject is the same in both the House and Senate versions, and is not in dispute. I have talked to officials of the Commodity Credit Corporation, and I have asked them frankly, "Would a delay in this matter affect the operations of the CCC?" The answer was that it would not, that the Corporation has the money, anyway. We do not need to rush this matter, which is one of extreme importance.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ELLENDER. Will the Senator tell us from whom, representing the Commodity Credit Corporation, he obtained that information? I have received information to the contrary.

Mr. MAGNUSON. Does the Senator refer to information to the effect that it would stop the operations of the CCC?

Mr. ELLENDER. No, no—that the CCC did not need it immediately, that it could wait, and wait, and wait. To whom did the Senator talk?

Mr. MAGNUSON. I talked to the secretary. I said, "Would this affect your operations, if it went on?" I was under the impression that if the CCC did not get this by June 30, it might make some difference. But the Commodity Credit Corporation can continue for the next 2 or 3 weeks without any trouble whatever. That is my information. If the Senator has information to the contrary, I do not know of it.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS. I agree with what the Senator has said. There is no rush about the enactment of this proposed legislation. The Commodity Credit Corporation has adequate funds with which to carry on its duties at this particular time.

Mr. ELLENDER. It has a little money on hand, but it cannot announce its program on basic crops for 1950. What I am saying is that the Commodity Credit Corporation must in the near future announce a program as to what it will do in the future with reference to crops now growing. That is why it is necessary to have \$2,000,000,000 available at an early date.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. WILLIAMS. I disagree completely with what the Senator from Louisiana has said. There is nothing in the law which would prohibit the Commodity Credit Corporation from announcing its program.

Mr. ELLENDER. How can it be done unless money is available?

Mr. WILLIAMS. The money is available.

Mr. ELLENDER. Suppose the Senate should not permit an addition of \$2,000,000,000 in borrowing power?

Mr. WILLIAMS. The corporation has one and a quarter billion dollars of borrowing authority which has not been used. That is a great deal of money. Besides, the books of the corporation have not been brought down for 2 years, and we do not have the slightest factual idea as to how much money it has available—

Mr. ELLENDER. I do not want to take up the time of the Senate in going into details. The Senate had before it all the facts, presented by my distinguished friend from Delaware, and \$2,000,000,000 was authorized. That is all I have to say.

Mr. MAGNUSON. In any event, Mr. President, the matter of a few days is not going to make any difference in the operations. The Corporation can announce its program.

I should like to add before I yield to the distinguished Senator from Nebraska [Mr. WHERRY] that I am a supporter of the Trade Agreements Act, and I know the Senator from Louisiana is also a supporter of it; but if the State Department continues in the way it has been going, particularly with reference to industries in certain geographical areas, and if it continues to make agreements containing no escape clause, and allowing agricultural imports to come into this country, wrecking our farm program, we shall find that the whole reciprocal trade program will be wrecked.

I think the amendment protects the State Department from its own evils; it protects it in spite of itself. Next year, when the Trade Agreements Act comes up for extension, Congress may refuse to continue it if the State Department continues such tactics as it has been employing. It is high time for the Department to know that if its devotion to reciprocal trade agreements is what it says it is, it had better make some concessions, because the American taxpayer will not stand for such tactics much longer.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I wish to finish my statement, and then I shall yield the floor.

We may have to go back to protective tariffs, and I heartily disapprove of protective tariffs. I think that would be the most disastrous thing that could happen to this country. That would be the quickest way to world war III. I think that even some Republicans would agree to that.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MAGNUSON. In just a moment.

Mr. President, every farm organization in the United States is in favor of this amendment. I do not want to clutter the Record with their statements, but two typical ones are from the National Council of Farm Cooperatives and the National Grange. There are many others.

As a matter of fact, I do not know of anyone who opposes this amendment, with the exception of the State Department. Every farmer, taxpayer, and American citizen, who understands it, is in favor of it.

In closing I read two telegrams I received this morning from two great farm organizations:

National Council of Farmer Cooperatives strongly urges your support of original text Magnuson amendment to CCC bill when it reaches Senate floor. We believe language suggested by conferees is not adequate to give United States farmers protection they urgently need against injurious imports. NATIONAL COUNCIL OF FARMER COOPERATIVES, JOHN J. RIGGLE, Assistant Secretary.

The National Grange appreciates and hopes you will continue to insist on the Magnuson amendment in the CCC bill. We feel it is vital to any program of price supports.

THE NATIONAL GRANGE,  
ALBERT S. GOSS, Master.

Mr. President, I yield as much time to the Senator from Nebraska [Mr. WHERRY] as he may wish.

The PRESIDING OFFICER. The Senator from Washington has 10 minutes time remaining.

Mr. WHERRY. Mr. President, continuing the observations made along the same lines, which have been so forcefully presented by the Senator from Washington [Mr. MAGNUSON], the junior Senator from Nebraska, last February, sought to have adopted by the Senate an amendment to restrict the importation of Irish potatoes when the supply of potatoes in this country is in excess of the goal of production or national production allotment as set by the Secretary of Agriculture.

When my amendment was before the Senate there were cries that it would upset the broad over-all policies of the Department of State, just as has been so dramatically set forth by the Senator from Washington.

Again we are confronted by language in the pending conference report, the ultimate effect of which will be to subordinate recommendations of the Secretary of Agriculture to the global planning of the Department of State, and its goal to fill every dollar gap around the free world, real or fancied.



That is why the farm organizations are opposed to the conference report. They want the Department of Agriculture, which is a fact-finding agency of government, to be the Department to determine whether there is an impact upon the agricultural production of the United States. Why leave it to a political agency, the Department of State, to make the determination while it writes its agreements with foreign countries?

The rights and interests of our farmers should be fostered by the agency of the Government created for that purpose, the Department of Agriculture, and not be left to the political global planning of the Secretary of State.

Again the junior Senator from Nebraska arises in support of tariff protection for American industry, agriculture, and labor.

The Senate-House conference report, now before the Senate, deals with the tariff on agricultural commodities, and procedures for protecting United States producers of agricultural commodities against loss of their American markets, the domestic markets, to importations from other countries.

The junior Senator from Nebraska is hopeful that, before the present session of the Congress adjourns, there will be passed a broad, general amendment to the Trade Agreements Act, to provide protection for all American producers, all industries, and all agriculture, against further reductions in tariff schedules below peril points for our own producers.

A start toward this wholesome, necessary action can be taken by the Senate on the pending conference report dealing with the tariffs on agricultural commodities.

The evidence in support of this action is abundant and conclusive.

The forthright, sensible, sound action taken by the Senate in adopting the Magnuson-Morse amendment to House bill 6567, the Commodity Credit Corporation bill, has been revised in conference.

As it stands before the Senate, it would provide so much red tape and duplication of investigation and finding of facts, that it would be next to worthless. The relief against ruinous imports, to which the farmers of the United States are so justly entitled, would be long deferred if it should ever come.

The Senate amendment, which the conferees revised into a merry-go-round of investigations, was adopted unanimously by the Senate Agriculture Committee, and subsequently adopted by the Senate.

Last year, in a 3-day floor debate, in which all the issues were thoroughly discussed in this body, the amendment was adopted, 44 to 28.

This section, as it went to conference with the House, provided for simple, direct, effective procedure, under which the Secretary of Agriculture would make the finding of fact, if imports or threatened imports of a given commodity seriously affected or threatened to affect American farmers' and processors.

Then the Secretary of Agriculture was to submit his finding to the President.

The President would still have discretionary authority given to him in the Trade Agreements Act, to put the recommendations of the Secretary of Agriculture into effect in foreign-trade agreements, or he could reject them.

But the voice of agriculture would be heard through the Secretary of Agriculture. And there is no better agency for passing upon purely agricultural tariff matters than the Department of Agriculture. All of the organizations of farmers are supporting this procedure.

Many letters have already been introduced into the Record, and no doubt more will be introduced, confirming that observation. They know that the Department of Agriculture knows more about the facts and the impact of the wholesale importations of agricultural products into this country than does any other governmental agency, especially the Department of State.

The conference report now before the Senate would retain initiative for the Secretary of Agriculture, in posting warning signs against tariff slashes on agricultural commodities, but have them referred to the United States Tariff Commission for further investigation, further study, more hearings, and more reports.

Section 22, as adopted by the Senate, provided clear, unmistakable language regarding treaty obligations. For obvious reasons it is not desirable to revise tariff schedules, in contravention of existing treaties. To do that would be an act of bad faith. The amendment as originally adopted by the Senate covered the situation in this language:

No international agreement hereafter shall be entered into by the United States or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section.

That was forcefully pointed out a few moments ago by the senior Senator from Washington.

When the Senate adopted the Magnuson-Morse amendment, its purpose was to establish a procedure by which tariff protection could and would be provided for the American farmers, and to accomplish that purpose in the most direct and effective way possible. The conferees have injected into this clear, straightforward amendment detours, if's and's, and but's.

Mr. President, today's news—the hostilities in Korea and fast-moving events around the globe—which disturbs the yearning of our people for lasting peace, should remind all of us of the paramount importance of keeping the United States strong—strong financially, strong economically, and strong spiritually. Much as we all desire to help other countries to get on their feet, so they can resist communism, we must be prudent about it and not sap the strength of the United States by opening the floodgates for importations of agricultural commodities. Every economist will tell us that agriculture is the foundation for national prosperity. Sixty-five percent of our wealth comes out of the soil.

There is abundant evidence that our farmers are beginning to feel the impact

of imports. Canned meats, fresh and frozen beef, fresh eggs, dried eggs, potatoes, tree nuts, and other commodities, even including corn and wheat, are coming in to compete with our own American producers. Certainly there is no sound thinking in permitting importation of commodities which are in the Commodity Credit Corporation's price-support operations. I ask the question: Is there? The end result of such a program is to have the Government—all the taxpayers—maintain price supports for importers to take advantage of. For the producers of commodities which are not in the price-support program to face the loss of their domestic markets to foreign producers, is to advocate, if you please, "Buy foreign," instead of "Buy American."

Mr. President, what is the use or purpose of extending the borrowing power of the Commodity Credit Corporation, which is the primary purpose of this legislation, if at the same time we permit unrestricted imports of products in direct competition with supported domestic production? Without such protection, we shall continue to take it out of the American taxpayers' hide, coming and going. For that matter, Mr. President, what is the use of maintaining high wage levels in this country, and other high standards of living, if we are to let those standards be imperiled by imports produced by slave labor, and under conditions with which the American farmer and the American producer cannot compete?

The PRESIDING OFFICER (Mr. McFARLAND in the chair). The time of the Senator from Nebraska has expired. All time of the opponents has expired.

Mr. WHERRY. I wonder whether the Senator from Louisiana would be kind enough to grant me 3 minutes in order that I may conclude my statement.

Mr. ELLENDER. Certainly.

Mr. WHERRY. Either our own agriculture program must receive first attention, or foreign agriculture programs will be given priority. I wish every Senator would remember that fact, not only now, but especially in the future, when it is proposed to extend trade agreements. In the future, trade agreements should not be made with a view to expanding foreign agriculture at the expense of our farmers and our American economy.

These questions are now before the Senate to decide. The junior Senator from Nebraska is supporting the Magnuson-Morse amendment because it offers an approach to protection for American farmers against ruinous foreign competition. It is to be assumed that the President, confronted by evidence submitted by the Department of Agriculture, will recognize its validity in the interests of the United States. It has been suggested that the Senate conferees obtained the best in conference that was possible. This the junior Senator from Nebraska does not question, for he believes the Senate conferees were true to their trust, and did all they could to have the Senate provisions adopted



in conference. But, the legislative process is still underway. The normal course of submitting the conference report to the Senate is now being taken. It is quite within the rights of the Senate to review its position, and, having found that its original action is more practical and feasible than the compromise reached in conference, the Senate has the right to insist upon the original language. The junior Senator from Nebraska submits that by rejecting the conference report, and insisting upon the language so overwhelmingly adopted by the Senate, the hands of the Senate conferees will be strengthened when they go back to conference the next time. Fortified by Senate reiteration of its position in support of the Magnuson-Morse amendment, the Senate conferees can resume meeting with the conferees on behalf of the House of Representatives confident of success in persuading them of the wisdom of the Senate's position.

Mr. President, for all the reasons I have given in the very brief time available to me, I urge rejection of the conference report, and, if it succeeds, insistence upon the clear, workable, and effective procedures already approved by the Senate.

Mr. President, once more I thank the distinguished Senator from Louisiana for the courtesy he has extended to me.

Mr. ELLENDER. Mr. President, I do not have much new material to add to what I have already presented to the Senate, but I should like to emphasize a few of the points which I made last Friday. At the outset I wish to say that the conferees met on two occasions, and every effort was made by the Senate conferees to have the Senate version of the bill adopted. However, we were met with most strenuous opposition on the part of the House conferees. The House conferees were positive in their assertion that if the so-called Magnuson-Morse amendment were adopted in its present form it would do much violence to our future trade-agreements program. After considerable debate in conference the conferees finally agreed to report what is now before the Senate. I may say that the more I study the compromise report the better I like it, and under it, we should come considerably closer to settling the problems which have been discussed by the Senator from Washington [Mr. MAGNUSON] and the Senator from Oregon [Mr. MORSE] than if we permitted the law to remain as it now stands. As I pointed out Friday we are placing mandatory provisions as to what should be done by the Secretary of State and the President in carrying out our trade-agreements program, instead of making them permissive.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. The Senator made the statement that the House conferees thought the amendment, if adopted, would do violence to the trade program. I am wondering whether the Senator could inform the Senate in what specific respects they thought violence would be done.

Mr. ELLENDER. It would be done by striking the present subsection (f) from section 22. As the Senator well understands, the President need not take into consideration section 22 in executing trade agreements in the future.

Mr. MAGNUSON. How did they say specifically it would do violence? I cannot see how it would do violence.

Mr. ELLENDER. For the simple reason that the language in the Senator's proposal is so broad that any commodity with respect to which there is a purchase agreement a loan, or any kind of program—whether or not that commodity is produced in excess of our requirements, could be excluded from future trade agreements, that is, such a commodity could be made the subject of an investigation by the Department of Agriculture, whether or not an effective program to curtail production or limit the marketing thereof, were possible.

Mr. MAGNUSON. Oh, no.

Mr. ELLENDER. I know the Senator does not agree with that, but, as he has admitted, there must be a program in effect. Where we differ is as to the effectiveness of such a program in limiting production or curtailing its disposition through marketing agreements.

As I started to say, all the conferees on the part of the House, as well as all the conferees on the part of the Senate—with the exception of one—signed the conference report. The exception on the Senate side was the Senator from North Dakota [Mr. YOUNG], who did not feel that he could sign the conference report because he was not in full agreement with what could be done under the new proposal.

Mr. MAGNUSON. Let me ask the Senator another question. Is it not correct that in accepting the House version, which is the State Department version, the Senate conferees accepted an amendment which they had unanimously rejected in the Senate Committee on Agriculture and Forestry? It is exactly the same language.

Mr. ELLENDER. I will not say it was unanimously rejected. We considered it, but the Senate committee at that time thought that the Magnuson amendment, which was before us, was couched in better language and would do more to accomplish the purpose than what was proposed.

Now let me state to the Senator, as I mentioned last Friday, that the conference report agreed upon is effective with respect to our basic crops, or, for that matter, any crops which we produce and on which we can control overproduction by marketing quotas or acreage allotments. I am sure my distinguished friend from Washington will not disagree with that. Under his own amendment, before it could be effective as to any commodity it would be necessary that some form of control be in effect. The Senator admits that.

What I am saying is that with respect to the conference report, that is, the language which has been agreed to by the Senate and the House, the language with respect to our basic crops, and any crops on which marketing quotas can be imposed, or which can be controlled by

acreage controls, would be as effective as that of the amendment proposed by the distinguished Senator from Washington. The only difference, as he pointed out, would be with respect to procedure.

I wish to point out to the Senate that the procedure outlined in the present law is not changed one iota from the procedure indicated in the amendment of the Senator from Washington, except that, instead of the President initiating any action, the conference agreement would place this responsibility on the Secretary of Agriculture, who would report to the President, and who in turn would have the Tariff Commission investigate the facts. Under the Senator's amendment, the Department of Agriculture would initiate the machinery, and the Department of Agriculture itself would then hold hearings and determine the extent to which certain commodities are coming in, and are, in a measure, doing violence to or affecting adversely the producers of similar commodities in this country.

Mr. President, after the findings are made by the Department of Agriculture, in the case of the amendment proposed by the distinguished Senator from Washington, the President may by proclamation impose such fees, "not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered," and so forth. The present law states that if a finding is made, and if that finding shows that the entry of any commodity into this country will do violence to the producers of similar commodities here, the President shall impose such ad valorem fees. The conference report makes it obligatory on him to do it, whereas in the case of the Magnuson amendment he is not obligated to do it. That is why I am saying to the Senate that the more I study both proposals, the greater is my conviction that a more effective method can be worked out under the agreement reached by the conferees than under the Magnuson-Morse amendment, insofar as our basic crops are concerned, or insofar as concerns any other crop production of which the Department can successfully curtail by means of acreage controls or other methods.

Mr. President, I repeat, the same line of commodities which could be affected under the pending proposal agreed to in conference could also be affected under the so-called Magnuson-Morse amendment. In other words, there is absolutely no difference in what can be done as to our major crops, except that in the method of attaining the goal the Magnuson amendment treats the matter differently. That is the only difference, as I am sure the Senator from Washington will admit. He is of the opinion that because the Department of Agriculture can initiate the procedure, because the Department of Agriculture can itself hold hearings and make the findings, it stands in a better position to have things done which would benefit agriculture than if we let the Tariff Commission do it.

Let me point out to the Senator that the Tariff Commission, as the distinguished Senator knows, is a bipartisan



commission, composed of Republicans and Democrats. This Commission has to do with our trade as a whole, and is not relegated merely to dealing with agriculture, or with the production of steel or any other commodity. It has experts to make studies of all the proposals brought before it, in the light of an over-all picture, and I contend that it is in a better position to make findings than would be the Department of Agriculture.

Mr. President, a question arose as to the position of the farm organizations throughout the country. As the distinguished Senator pointed out, there are several farm organizations, I know, which are strongly in favor of the so-called Magnuson-Morse amendment, and do not agree to what the conference report proposes. For instance, a letter from the National Milk Producers Federation addressed to me today states:

We wish to indicate the position of the National Milk Producers Federation concerning that part of the conference report on H. R. 6567 relating to section 22 of the Agricultural Adjustment Act.

Mr. President, the letter expresses a contrary view to my feelings in this matter and the way I think about it. I want to be perfectly fair with the Senate, however, in presenting the views of those who are opposed to my position as well as those who are in favor of it. This morning I had my secretary telephone the heads of various farm organizations in Washington, five of them, and I am glad to say that all responded either by telegram or by letter. The letter I am reading, from the National Milk Producers Federation, as I stated, takes a position contrary to mine. I continue to read:

At the thirty-third annual meeting in November 1949 the federation adopted a resolution with respect to import controls which reads in part as follows:

"We recommend as permanent legislation the repeal of subsection (f) of section 22 of the Agricultural Adjustment Act and the enactment of legislation to provide that no international agreement shall hereafter be entered into by the United States, or renewed, or permitted to extend beyond its earliest permissible termination date, which would be in contravention of said section 22."

The present law, because of subsection (f) in conjunction with the General Agreement on Tariffs and Trade, does not provide adequate protection for our agricultural programs. Recognition of this fact has given rise to the present move to amend section 22.

The conference report insofar as it relates to section 22 does not accomplish the desired objective nor correct the present unsatisfactory condition. The legislation therein recommended would merely prevent the United States from entering into future trade agreements containing provisions more harmful than those already contained in the general agreement.

To this extent the proposed legislation may be some improvement over the present law, but it does not solve the basic problem.

As has been stated here, insofar as the milk producers are concerned, the provision proposed by the conferees is not entirely acceptable, but it is a move in the right direction, and in my opinion will correct many of the discrepancies which now exist.

The National Council of Farmer Cooperatives in a letter addressed to me today had this to say:

We appreciate your efforts to make section 22 of the Agricultural Adjustment Act effective in the protection of our various farm programs.

Our people believe the original language of the Magnuson-Morse amendment accomplishes the original objective of speeding procedure, and yet safeguarding it in the hands of the Agriculture Department which is informed and prepared to act as rapidly as inquiries into the problem may indicate.

On the other hand, we believe the conference report version is not clear enough for us to predict the interpretation which may later be put on paragraph (f). And we also feel that the procedure under paragraphs (a) and (b) provide unnecessary delay in obtaining the facts and in reaching a decision thereon.

In other words, the chief objection by that organization is with respect to questions of procedure. In the letter from which I have just quoted, they refer to one of them. In my humble opinion, the method of procedure by which the Department of Agriculture should make the over-all study would run into serious difficulties. The study cannot be confined merely to milk or to cheese, or to any particular farm commodity. The Senator from Washington knows that in making a trade agreement we cannot satisfy everyone. We are bound to trample on the toes of some. Unless an over-all study is made of the situation by a bipartisan group which is familiar with all phases of our foreign trade, a good job cannot be done that will treat everyone as equitably as he should be treated. The Senator knows that to be so.

It will not, in my opinion, be as simple for the Secretary of Agriculture to conduct the hearings as the Senator has indicated. The Department of Agriculture cannot solve the problem by a study with respect to what effect a certain amount of wheat coming into this country would have on the wheat producers; it would also have to study the benefit that an agreement in which wheat is involved would bring to the producers of other commodities throughout the country. That over-all picture would have to be considered by whoever is designated by the Congress to make the study that is called for in section 22. I maintain that the department of government best able to make that study is the Tariff Commission. It has experts in every line, and they can do the work much more quickly, and to the better advantage of everyone concerned, than can the Department of Agriculture which would be the prosecutor, the judge, and the jury if the Magnuson-Morse amendment were adopted.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. That may sound all right, Mr. President, but the actual experience we have had in connection with this matter is that there are too many experts in the Tariff Commission. I can tell the Senator what has happened time after time, in many instances, when an agricultural product is coming

into this country which is ruinous to a Government-supported program. I speak of the result to the taxpayers not to the producers. When the cumbersome procedure of the Tariff Commission is followed, by the time the hearings are ended, and the recommendation is made, months and months have passed, and the damage has been done. The Tariff Commission does not consult with anyone. It has its own experts. They do, as the Senator says, look at the over-all picture. The experts of that agency are adept; they study and study and study the subject, and by the time the recommendation is finally made, the damage is done to, let us say, perishable agricultural products involved. If they would act with due dispatch, very well; but we have never had the experience with them that they do act with due dispatch.

Mr. ELLENDER. Let us assume that the Department of Agriculture makes the investigation. The facts and the findings must then be submitted to the President. If the Department of Agriculture cannot show the President how its findings or recommendations, if it makes recommendations, will affect other commodities, the President would have to go to the Tariff Commission before reaching a final decision.

Mr. MAGNUSON. If he wished to do so; yes.

Mr. ELLENDER. Of course. That is where he would go. That is where he has to go. I do not believe the Department of Agriculture is equipped with the proper staff to make an over-all study of how a certain commodity affects other commodities throughout the country. Yet before the President acts on any proposal concerning trade agreements he has to know how his action will affect the producers of other commodities.

When the proposal embodied in the Magnuson-Morse amendment was first submitted to the Congress, the Department of Agriculture suggested then that the best agency of Government to make this over-all study was the Tariff Commission. The reason for the Agriculture Department's recommendation was that the Tariff Commission had the necessary experts, who had devoted years of study to the subject, that they had most of the facts at hand, and that therefore they could work more rapidly than could any other agency of Government.

Mr. President, a moment ago I was discussing the position of the farm organizations.

Mr. MAGNUSON. Mr. President, if the Senator will permit me to interrupt, inasmuch as I have to go to the telephone in a moment, I should like to ask him a question: Is it not a fact that every farm organization, so far as the Senator knows—including the so-called Big Five, to which we have referred—would like to see the Magnuson-Morse amendment adopted?

Mr. ELLENDER. I shall read statements giving their views. I think the Senator was a little in error in saying that all of them are opposed to the conference report and in favor of the Magnuson-Morse amendment.



Mr. MAGNUSON. I think all of them endorsed the Magnuson-Morse amendment. There may be some who say, as the milk producers do, that "Although we are not getting the whole loaf, this will be about one-tenth of a loaf for us."

Mr. ELLENDER. Exactly. I say to my distinguished friend that if the agreement reached in the conference committee were thoroughly understood by the various farm organizations, then, instead of preferring to have no law at all on the subject, I believe they would prefer to have the conference report, for the reason that it is a step in the right direction, and it will tend to ameliorate many of the difficulties which give rise to the Magnuson-Morse amendment.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. ELLENDER. I yield.

Mr. MORSE. I should like to say that a few minutes ago Mr. Sanders, of the National Grange, called me into the reception room and expressed the view that he certainly had no fear that harm would come to the farm program as a result of returning the conference report for a further conference.

Later in the afternoon I shall insert in the RECORD a letter which the head of the Grange, Mr. Goss, has written, and his letter certainly expresses their position on this matter.

Mr. ELLENDER. Mr. President, I have received a letter from the Grange, dated today, June 26, reading as follows:

It is our opinion that the conference report on the Commodity Credit Corporation bill still leaves any tariff adjustments to the discretion of the President. Unless clear-cut authoritative interpretation can be approved by the Senate, we believe the report should be returned to conference for clarification.

A. S. Goss,  
Master, the National Grange.

I pointed out in particular to the Senator that in his letter, Mr. Goss says that in their opinion—

The conference report \* \* \* still leaves any tariff adjustments to the discretion of the President.

Certainly that is true, regardless of whether the conference report is adopted or whether the Magnuson-Morse amendment is adopted.

Mr. MORSE. There is a difference between the exercise of the checks under the two proposals.

Mr. ELLENDER. Let me point out that after the findings are made by the Secretary of Agriculture, under the so-called Magnuson-Morse amendment it is not obligatory on the President to impose ad valorem fees.

Mr. MORSE. There is no attempt on the part of the Senator from Oregon and the Senator from Washington to make that obligatory, because we are satisfied that if we can adopt a timing schedule which will make it possible for us to get the facts to the administration in advance of the doing of damage, the damage will not be done.

Mr. ELLENDER. Under the conference report, when the Tariff Commis-

sion finds that the facts warrant action by the President, then the President must act. In that respect, the conferees have followed the law which now exists. Section 22 as now written provides that—

If, on the basis of such investigation—

That is, if an investigation is made by the Tariff Commission—

and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 percent ad valorem—

And so forth. But with reference to the so-called Magnuson-Morse amendment, the word "shall" is changed to "may." I think that change constitutes a significant difference, especially when we view that language in connection with the proposal, as I shall read it in a few minutes, which has been submitted to the Senate by the conference committee, namely, that insofar as the basic commodities are concerned, and insofar as is concerned any commodity on which we have effective limitations on marketing or production, the steps which will be taken will be as effective as those which could be taken under the Magnuson-Morse amendment. The only difference would lie in who shall make the findings—whether the Department of Agriculture or the Tariff Commission.

Mr. President, I repeat that it would be unfair to the producers of other commodities to permit the Department of Agriculture to make the investigation and be the judge of everything in that connection, because necessarily, in the making of trade agreements, we must take into consideration the producers of commodities other than those directly affected by the agreements. For instance, we must determine the extent to which the manufacture of automobiles will be affected and the extent to which the manufacture of other commodities will be affected by the various trade agreements into which we enter.

The Senator from Oregon knows that, regardless of what agreements we make, we are bound to trample on the feet of some while we help others, or vice versa.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. I wish to say that I respect the views of the Senator from Louisiana regarding the conference report, but our difference is rather fundamental. Our difference is over the question of who will make the investigation, and when the investigation will be made.

I wish to say that the conference report fails miserably to place any effective check on the trade agreements' section of the State Department, which to date have shown that they have failed to have any sound understanding of the problems of American agriculture.

Mr. ELLENDER. Mr. President, the Tariff Commission is a fact-finding body.

Mr. MORSE. But its findings are made too late to be effective or to do any good.

Mr. ELLENDER. The Tariff Commission bases its findings on the facts presented to it, and then the Tariff Commis-

sion advises the President that such and such should be done.

I repeat to my good friend, the Senator from Oregon, that if the investigation is made by the Secretary of Agriculture, then in order to enable the Secretary of Agriculture to have an over-all picture in regard to how the entire program affects the producers of other commodities, either the Secretary of Agriculture will have to go to the Tariff Commission or he will have to have a force of his own to look into all these devious problems, if he is to obtain an over-all picture.

Regardless of whether this matter is submitted by the Secretary of Agriculture or not, the President would finally have to go to the Tariff Commission, in the event the Secretary of Agriculture could not give him the over-all picture.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MORSE. I wish to say to the Senator from Louisiana that under the Magnuson-Morse amendment the department of the Government best qualified to advise the President of the United States in regard to the effect of a proposed agreement on the American farmer will have its day in court, which is not possible under the Senator's proposal.

Mr. ELLENDER. Mr. President, I have to differ with my good friend the Senator from Oregon, because the proposal the conference committee has made is that the Secretary of Agriculture shall initiate these proceedings.

Mr. MORSE. What good does it do to initiate a proceeding if there is inability to conduct the investigation and to make the findings of fact on the basis of having the department best qualified make the findings of fact?

Mr. ELLENDER. I believe that a great deal of good will be accomplished by making the Secretary of Agriculture responsible by law to initiate the proceedings.

Mr. MORSE. What the Senator is doing is passing the buck to another agency of the Government which experience has shown has not protected the American farmer. That is what the Senators from Oregon and Washington are trying to prevent. The conferees are merely continuing the evil we are seeking to remedy.

Mr. ELLENDER. I am sure my good friend from Oregon would not state to the Senate that if this matter were put entirely into the hands of the Department of Agriculture, that Department would be able to say what effect it would have on the producer of automobiles in Michigan, upon a tire producer in Ohio, or upon other people who are interested in trade agreements. In other words, in order that the President may be able to make up his mind and to follow the suggestions made to him by the Department of Agriculture, he will have to have before him a study of the over-all picture, not merely a statement of how a certain agreement affects wheat, corn, and other things.

Mr. MORSE. We do not seek to prevent that.



Mr. ELLENDER. But it would be prevented if the Tariff Commission is bypassed completely.

Mr. MORSE. We do seek to guarantee to the American farmer that his interests shall be protected as they have not been protected under the administration of the reciprocal-trade agreement program now for some years past.

Mr. ELLENDER. Let me state to my good friend that the Department of Agriculture has made a close study of this matter. The Magnuson-Morse agreement has been before the Department for study for quite some time, and the Department itself is opposed to it. The Department thinks that the agency which ought to perform this function is the one which is equipped to do it, namely, the Tariff Commission.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. MORSE. I am sure the distinguished Senator from Louisiana is perfectly well aware of the fact that when a department is advised as to what an administration policy is, it is not inclined to go against the administration's policy. Of course, we know that the administration is opposed to the Magnuson-Morse amendment. But for the Senator to quote as his star witness the Department of Agriculture itself, does not carry any weight with the Senator from Oregon. But place the power there, and I am satisfied that then for the first time we shall get from the Department of Agriculture the independence of conduct which we ought to get from it.

Mr. ELLENDER. Mr. President, I am not going to argue further with my good friend on that subject. Before I was interrupted, I was trying to show the position of the various farm organizations on the question of adoption of the conference report. I was reading from a letter addressed to me today by the National Grange. The letter reads as follows:

NATIONAL GRANGE,  
Washington, D. C., June 26, 1950.

HON. ALLEN J. ELLENDER,  
United States Senate,  
Washington, D. C.

DEAR SENATOR ELLENDER: It is our opinion that conference report on the Commodity Credit Corporation bill still leaves any tariff adjustments to the discretion of the President. Unless clear-cut authoritative interpretation can be approved by the Senate giving assurance that such adjustments are mandatory, we believe the report should be returned to conference for clarification.

Yours sincerely,

A. S. Goss,  
Master, the National Grange.

I may say that the so-called Magnuson-Morse amendment does not make these adjustments obligatory upon the President. Under the conference committee's proposal the President, after the facts are found, after the report is made, must adjust the tariffs, and the extent to which he must adjust them depends upon the findings, of course, whereas under the Magnuson-Morse amendment he does not have to act if he does not want to.

I should like to quote from a telegram that I have this day received from the American Farm Bureau Federation:

WASHINGTON, D. C., June 26, 1950.  
Hon. ALLEN J. ELLENDER,  
United States Senator,  
Washington, D. C.:

In compliance with your request concerning the views of the American Farm Bureau Federation relative to the conferees' action on section 22 of H.R. 6567, they are as follows: Section 22 was designed to protect United States agriculture from imports when such imports would cause undue hardships to domestic producers of like commodities. The proposed conference amendment to section 22 does not accomplish the original objective of section 22 to which we are committed by American Farm Bureau Federation resolution.

I invite special attention to this:

If the Congress accepts the conference report, the situation will be improved if the legislative history includes an interpretation of the conference amendment showing it was the intention of the Congress that under the conference amendment section 22 could be invoked when acreage allotments, marketing quotas, or marketing agreements are in force with regard to any agricultural commodity or when surpluses of agricultural commodities are being used for school lunch and other domestic consumer programs.

J. DON PAREL,  
Associate Director, American Farm Bureau Federation.

I think I have made that very plain in the debate heretofore, but in order to make it doubly certain, I requested the office of the Secretary of the State to submit their views on this matter.

This is was said in a letter addressed to me by the Department's Deputy Legal Adviser, Jack B. Tate:

JUNE 26, 1950.

The Honorable ALLEN J. ELLENDER, Sr.,  
United States Senate.

DEAR SENATOR ELLENDER: You have asked the opinion of the Department as to what type of measure would be considered sufficient to justify an import quota under the general agreement on tariffs and trade, referred to in the conference report on the proposed amendment to section 22 of the Agricultural Adjustment Act.

In the opinion of the State Department, the basic question is one of fact. Import quotas would be permitted under the general agreement on tariffs and trade in any case where there is an effective limitation on domestic marketing or production.

That is the point I emphasized previously and on many occasions, particularly last Friday and also here today. The letter continues:

A farm marketing quota, if not set so high as to exceed what the farmers would ordinarily market, would, for example, constitute an effective restriction within the meaning of the agreement. Marketing agreements and orders and farm-acreage allotments are other devices which might also constitute effective restrictions.

Sincerely yours,

JACK B. TATE,  
Deputy Legal Adviser.

In other words, there is no doubt that it is the understanding of the conferees on the part of the Senate that farm-marketing quotas constitute effective restrictions on production or marketing. It is also understood that marketing agreements and orders and farm-acreage

allotments may also constitute effective restrictions on marketing or production, and that the judgment of the Secretary of Agriculture will be accepted as the authoritative judgment with respect to whether a marketing agreement and order or farm-acreage allotments are effective restrictions.

So you will see that that is in line with what the Farm Bureau desired. In other words, the Farm Bureau states that if that interpretation can be made, it would have no objection to the conference report.

I am saying that, with this language and with this interpretation of the language which I have just quoted, the conference report makes it as effective with respect to all of the basic crops and others crops with which it is possible to have effective marketing controls or acreage allotments, as would be the case under the Magnuson-Morse amendment to section 22.

The fifth farm organization consulted by me was the National Farmers Union. As of today, I have received a telegram from the union as follows:

WASHINGTON, D. C., June 26, 1950.  
Senator A. ELLENDER,  
Senate Office Building:

The National Farmers Union strongly urges the adoption this afternoon by the Senate of the conference report on the bill increasing borrowing power of the Commodity Credit Corporation. While we did not favor the adoption of the Magnuson amendment and would prefer that the bill not deal with foreign trade matters, we feel the conference report has modified sufficiently the original Magnuson amendment so that the report should be adopted as it stands. In any case, the provision of the additional price-support monetary authorization is of the utmost gravity to farmers. Commodity Credit needs the additional loaning funds at once if it is to carry out congressional commitments.

RUSSELL B. SMITH.

Mr. President, I feel doubly certain that if all our great farm organizations understood the report which is now before the Senate, and if they knew it was going to be given the interpretation which I have just indicated as coming from the office of the Secretary of State, as well as the interpretation placed upon it by the conferees, they would conclude that the report made to the Senate will be as effective with respect to all our commodities which can be controlled either through marketing agreements or acreage allotment, as would be the case under the so-called Magnuson-Morse amendment.

Mr. President, one of the points made by the distinguished Senator from Washington [Mr. MAGNUSON] was that a great deal of time would be required for the Tariff Commission to make its investigation. I have before me a few examples of the time required to submit to the President certain findings.

On November 29, 1940, the Chairman of the Advisory Committee to the Council of National Defense recommended to the Tariff Commission the suspension of import quotas on long-staple cotton of one and eleven-sixteenths inches and longer for the duration of the emergency. The committee pointed out that



this cotton was urgently needed for the manufacture of balloon and airplane fabrics but was in short supply in the United States. The Tariff Commission ordered an investigation on December 4, 1940, held hearings 1 week later, and issued a report to the President on December 13, 1940. The Commission recommended the suspension of quotas on cotton one and eleven-sixteenth inches and longer. The President issued a proclamation to this effect on December 19, 1940, effective immediately.

In other words, Mr. President, from the time the Commission was asked to make the investigation until the procedure was completed, less than a month transpired.

I have before me quite a number of such examples, but I have only 7 minutes remaining, so I shall ask that there be inserted in the RECORD the rest of these examples showing the time involved by the Tariff Commission in its investigations.

There being no objection, the examples referred to were ordered to be printed in the RECORD, as follows:

### 3. SECOND SUPPLEMENTAL INVESTIGATION

Until the proclamation of September 5, 1939, it had been possible for United States cotton that had been sold to Canada and rejected by the purchaser, to be returned to the United States for resale. As a result of the proclamation it was not possible to do so and apparently American cotton exporters had suffered losses. On October 27, 1941, the Under Secretary of Agriculture requested the Tariff Commission to investigate this situation. An investigation was ordered on November 12, 1941, hearings held on December 10, and a report made to the President on February 20, 1942. The report recommended the suspension of quotas on American cotton returned to the United States upon rejection by foreign importers. It was also recommended that the quota be suspended on commercial samples of cotton and cotton waste. The President accepted the report and issued a proclamation on March 31, 1942, effective immediately.

### 4. THIRD SUPPLEMENTAL INVESTIGATION

As a result of the trade agreement concluded with Peru on May 7, 1942, it was understood that country quotas on long-staple cotton would be changed to a global quota equal to the total of the country quotas. This change would permit the United States to import the same amount of long-staple cotton despite the adverse effects of the war on certain producers. A request for this change was made to the Tariff Commission by the Secretary of State on May 9, 1942, and an investigation was ordered on May 12. No hearings were held. A report recommending the change was sent to the President on June 8 and a Presidential proclamation embodying this recommendation was issued on June 29, 1942, effective July 29.

### 5. FOURTH SUPPLEMENTAL INVESTIGATION

The Secretary of Agriculture requested the Tariff Commission to investigate the situation with regard to harsh or rough cotton under three-fourths of an inch which, as noted above, had not been covered by the President's proclamation of September 5, 1939. An investigation was ordered on September 17, 1946, hearings held on October 14 and 15, and a report issued to the President on December 31, 1946. The Commission recommended a global quota of 70,000,000 pounds on this type of cotton. A Presidential proclamation to this effect was issued on February 1, 1947, and made retroactive to September 20, 1946.

### 6. FIFTH SUPPLEMENTAL INVESTIGATION

At the request of the American cotton-textile industry an investigation was ordered on January 23, 1947, to determine whether or not a supplemental quota should be established for long-staple cotton. Hearings were held on February 18, 1947, and a report issued to the President on April 21, 1947. The report recommended a supplemental quota for cotton  $1\frac{1}{8}$  inches or more but less than  $1\frac{1}{4}$  inches of 23,094,000 pounds for the quota year ending September 19, 1947. The President issued a proclamation on June 9, 1947, embodying this recommendation; the proclamation became effective on June 14.

### 7. SIXTH SUPPLEMENTAL INVESTIGATION

The American cotton-textile industry requested the continuation of a supplemental quota on long-staple cotton for the following quota year. An investigation was ordered on January 15, 1948, hearings held on February 17, 1948, and a report issued to the President on May 14, 1948. The report recommended that no quotas be placed on cotton  $1\frac{3}{8}$  inches or longer and that a supplemental quota of 18,300,000 pounds be established for cotton over  $1\frac{1}{16}$  inches but less than  $1\frac{3}{8}$  inches. The report was not accepted by the President because of the passage in the interim of the Agricultural Act of 1948. It was requested that the Tariff Commission reconsider the matter.

On July 14, 1948, a revised report was sent to the President, recommending a supplemental quota of 18,000,000 pounds for cotton  $1\frac{1}{8}$  inches or over and less than  $1\frac{1}{16}$  inches. In addition it was recommended that licenses be issued to individual cotton-manufacturing concerns on the basis of their essential needs for the remainder of the quota year ending September 19, 1948. A Presidential proclamation to this effect was issued on July 20, 1948, effective immediately.

### 8. SEVENTH SUPPLEMENTAL INVESTIGATION

The cotton-textile industry requested a further continuation of a supplemental quota as well as a change in the quota year to permit them to obtain foreign long-staple cotton under the quota under more favorable conditions. An investigation was ordered on June 9, 1949, hearings were held on July 7, 1949, and a report was issued on August 11. The report recommended changing the beginning of the quota year to February 1 each year for cotton  $1\frac{1}{8}$  inches or more but less than  $1\frac{1}{16}$  inches and establishing an interim quota of 16,487,042 pounds for the period September 20, 1949, to January 31, 1950. The President's proclamation which accepted this report was issued on September 3, 1949, effective September 20, 1949.

Mr. ELLENDER. Mr. President, some investigations, of course, necessarily require more time than do others. They involve many more problems which might affect many more commodities throughout the country. But I want to stress the point that irrespective of whether the investigations are made by the Secretary of Agriculture or by the Tariff Commission, the study and final action would have to incorporate an over-all consideration of the whole category of problems, and not only the specific article or commodity in question.

I wish to repeat by way of emphasis that if the conference report be adopted section 22 will remain now as law with the exception of several changes that I have previously mentioned. Primarily, instead of the President being responsible for initiating the hearing, the Secretary of Agriculture will be designated by law to do so. If the Secretary of Agriculture believes action should be

taken, he shall so advise the President, and if the President agrees that there is reason for relief, the President submits the matter to the Tariff Commission, and the Tariff Commission proceeds, under the law as it is now written, to make its findings.

As I pointed out a while ago, the Tariff Commission covers in its findings not only the commodity in question, but the effect of the proposed change upon other commodities.

That is, if we let a basic commodity come in from a foreign nation, it may be that by allowing its importation in a quantity in excess of what it should be, American producers of that commodity may be seriously affected; but, on the other hand, we must also look into the beneficial effects which might result to the producers of other commodities, such as our manufacturers of automobiles and other goods which are sold in large quantities abroad.

I repeat, that a study as to the general effect can best be made by the Tariff Commission rather than by the Department of Agriculture, which is interested primarily in agriculture.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. What the Senator says in analyzing the differences between the conference report and my amendment is correct as to procedure; but does not the Senator agree that my amendment would streamline that procedure and make it less cumbersome?

Mr. ELLENDER. I cannot agree with my distinguished friend in that respect, because I am convinced that the study must be a broad over-all study. The Department of Agriculture would simply confine its study to agriculture—for example, to the effect of permitting a few more apples to come into this country, and what the result would be with regard to the apple growers of Washington or Virginia. It would have to do something it is not equipped to do, make an over-all study to find out how the agreement as a whole affects the producers of other commodities, and other goods and manufactured products.

We all understand that in entering into an agreement with another nation we are bound to trample on the toes of some of our producers. We cannot escape that. But the over-all results have been good in the past. The Senator knows that. That is why the Senate of the United States has gone on record on several occasions in renewing the President's power to enter into trade agreements, namely, because of the over-all good it does to our entire national economy.

Mr. MAGNUSON. Let me ask the Senator this question: There is, of course, is there not, a distinct difference between the conference report and my amendment as to procedure?

Mr. ELLENDER. Not as to procedure, but as to who shall do it; that is all.

Mr. MAGNUSON. The real meat of the coconut is not contained in the conference report at all. I refer to the elimination of subsection (f).



Mr. ELLENDER. But in place of subsection (f)——

Mr. MAGNUSON. Article II is substituted.

Mr. ELLENDER. That is generally correct. As to the basic crops or any other commodities, on which there can be imposed production or marketing restrictions, the conference report will be as effective with respect to those commodities as would be the Magnuson-Morse amendment.

Mr. MAGNUSON. I do not admit it would have that effect. What we are now doing is to let the State Department accept——

Mr. ELLENDER. No; I beg the Senator's pardon. Under the present law the State Department can enter into an agreement or can amend an existing agreement and it does not have to pay any attention to articles II and XIX of the general agreement on tariffs and trade, but by the conference report we make the State Department pay attention to it. In other words, the President through the State Department could agree with any foreign nation that section 22 can never be invoked. The conference report will prevent that from happening.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CAIN. Mr. President, my colleague [Mr. MAGNUSON] had intended to yield 15 minutes in order that I might speak with reference to the amendment, but because of the lack of time, I ask unanimous consent that the statement which I prepared on the question be made a part of the RECORD at this point.

There being no objection, Mr. CAIN's statement was ordered to be printed in the RECORD, as follows:

Mr. President, the junior Senator from Washington wishes to support the Morse-Magnuson amendment to House bill 6567.

Its laudable purpose is one which I have supported for quite some time, but the presence of the amendment today somehow seems to have conveniently coincided in some minds with a year that finds elections taking place. I wish to support the amendment while pointing out that agriculture is but one of the important segments of our Nation's economy. If the amendment is finally made a part of law, and I hope that it will so become, all of us ought to understand that our work of securing reasonable protection for American industry, business, and agriculture has just begun.

Apparently the purpose in taking investigations of injury to domestic farm programs, because of excessive imports, away from the Tariff Commission is that the Department of Agriculture is much more favorably inclined toward home production and fewer imports.

It would not be flattering to any Senator to say that he or his party had just discovered that Agriculture was being seriously set back by excessive imports of some product and that a mistake had been made when the State Department was granted too much power over our farmers.

One can only assume that some among us have been prompted by the obvious needs of the moment to take a very small step in the opposite direction from that consistently taken in earlier tests of our farm and foreign-trade policy.

We had a vote late in the last session of the Congress on a proposal to limit the im-

ports of furs from Russia, and other no-cost or low-cost nations, because literally thousands of our own fur farmers were being ruined by millions and millions of dollars worth of imports.

That amendment would only have given the President authority to impose a quota if domestic fur farmers were being seriously injured by excessive imports.

That vote was so close that just one switch from "nay" to "aye" would have allowed it to clear the Senate.

The same situation occurred on an amendment to limit the imports of oil.

The same thing occurred on the famous peril point amendment, except that the margin was larger, for on September 15, 1949, the amendment was defeated by a vote of 43 to 38.

As far back as you want to investigate, some Senators have consistently voted to increase the power of the State Department to lower tariffs, increase imports, and decrease American output, with the old threadbare, wornout, and completely discredited theory that to do so would be an inducement to foreign nations to reduce their limitations on shipments of goods from the United States.

Almost every country of the world has increased restrictions on imports of American farm goods—not only once, but many times. Not only by increased barriers, but by discriminatory licenses for imports, absolute embargoes, and hundreds of bilateral trades that completely eliminated United States products. Everyone knows it is becoming harder and harder to ship American goods abroad—especially farm goods.

You may be surprised at this information. I was; but it is good evidence of what I have been saying. In 1947 we exported millions of dollars worth of farm products more than we imported. In 1948 we shipped millions of dollars more of agricultural products abroad than we purchased; in 1949, although the margin was much narrower, we still sold more than we imported. Then what happened. All at once we discovered that the tariff give-away program had caught up with us.

In January 1950 we imported \$63,000,000 worth of agricultural products more than we exported and if the trend continues, as it is expected to do, we will import this year over a million dollars more of agricultural products than we will export.

Now the American farmer is finding this out, and people in political life are discovering the same thing and are anxious to do some small bit of retracting that will indicate to the voter and the taxpayer that improvements are in sight.

Now there is another important point connected with this effort to reverse the free-trade trend. As was to be expected the State Department sent one of its American representatives up to try to "scotch" the amendment in committee hearings. Mr. Winthrop Brown, whose principal job is to deal with foreign representatives and who is not too interested in the problems of the farmers in our own country, naturally asked the Committee on Agriculture to reject the amendment. The reasons were that it would interfere with our foreign policy.

Mr. Brown was unwilling to admit that any part of the amendment was good, but objected most strenuously to the section that would require the alteration or renegotiation of any agreement containing features repugnant to our farm policy or programs. He said it would be a great blow to this country's prestige to have to nullify any parts of our trade agreements, even though congressional action in the establishing of farm programs had been contradicted in those agreements.

Now it couldn't be any plainer to me that the State Department is worried that it will

need to take back some of its concessions if this amendment, as originally proposed, carries.

I want to make this point clear now, why did Mr. Brown object so strongly to this section, unless some of those agreements did contain concessions that were contrary to our internal farm policy? It is a frank admission that the State Department negotiators did offer and did give to foreign nations concessions that contradicted our farm policy.

Now how could this be? I know that paragraph (f) of section 22, which the amendment before us very laudably reverses, does state that no farm program shall be adopted which would contravene any foreign commitment. I know that this carte blanche authorization to our negotiators was slipped into the farm bill by the State Department over the objections of Agriculture and without the knowledge of many legislators. But this was done only a year or two ago—and only one trade agreement has been negotiated since that clause was put into the law—and under that law only one agreement could legally have contained anything that ran contrary to established internal laws.

The State Department, I am told, objects to the amendment because it might require the renegotiation of agreements which contain concessions that obstruct and negate our agricultural program. When the agreements were negotiated there was absolutely nothing in any actual or implied delegation of power to any of our negotiators to make foreign commitments that would run contrary to our farm program. Any commitment so made must have been qualified or it was illegally done and any such agreements should be renegotiated.

It is my information that most trade agreements do contain qualifying sections which allow the United States to make such adjustments as are necessary to enforce and operate its agricultural programs. If this is so, then Mr. Brown is dragging the biggest red herring the administration has yet been caught with, and that is going a long way. If no foreign agreements would need to be altered if this amendment is adopted, then State Department objections are without meaning and indicate only a desire to put something over. If they did actually go beyond their authority and make trade agreements that diametrically oppose domestic legislation, then they should be censured and investigated thoroughly.

I stated that I intended to support the amendment—and that goes for the reversal of paragraph (f) of section 22.

It is indeed a paradox that anyone who opposed the fur amendment and the peril point amendment when the trade agreements law was extended last year should now propose and support a proposition so nearly akin to it.

The peril-point amendment defeated so narrowly last fall was even less of a protective device than this one.

It was a simple requirement that a qualified and expert agency of the Government should give to the President its best judgment concerning how low a tariff might be reduced without seriously injuring a domestic industry.

The report was to be kept secret by the President, even from Members of Congress, and no part of it was to be divulged to anyone unless the President saw fit to cut a rate of duty below the minimum mentioned. Then, and only then, was he to tell Congress what that particular minimum was and give his reason for ignoring it.

How could anything be more fair, simpler, or easier to administer? How could it be as restrictive on our negotiators as this amendment before us? Yet those who are urging that this amendment be adopted did not all vote for the peril-point amendment, not by any means, and the farmers and workers



and industry owners who are being accused of a lack of patriotism because they continue to urge "buy American when it is available" are not likely to be fooled by a reversal of policy just before election time.

The proposal of this amendment to H. R. 6567 is a frank admission that its sponsors do not trust the State Department to refrain from injuring domestic farmers and making foreign deals that interfere with the operation of farm programs.

It is a plain, unvarnished invitation to our diplomats to stick to their negotiating and stay within the bounds of their authority. It is a proposal that we turn our agricultural programs over to our agricultural experts and delete them from the category of pawns in the international game of politics.

I am for it, and I congratulate those who have seen the light and seek some reversal of our Nation's free-trade policies.

Mr. BUTLER. Mr. President, will the Senator yield for an insertion in the RECORD?

Mr. ELLENDER. I yield.

Mr. BUTLER. Mr. President, I ask unanimous consent, in view of the shortness of the time, that a statement which I have prepared on the same subject be inserted in the RECORD at this point.

There being no objection, Mr. BUTLER's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUGH BUTLER

Mr. President, I intend to support the move to send this bill back to conference, because I believe that the Magnuson-Morse amendment is essential to prevent our farm price-support program from being destroyed by imports of surpluses from abroad.

In fact, in my opinion, the Magnuson-Morse amendment does not go far enough. It provides a method of keeping out agricultural imports when those imports are damaging the domestic program, but the method provided is unfortunately a slow and uncertain one. When we have a control program on any domestic product, we should have promptly and automatically a program of control on imports of the same commodity. It is no use controlling domestic producers if we do not also control imports. In other words, import controls should be just as strict as domestic controls and should go into effect just as promptly.

During the last few years, there have been far too many cases of imports of farm products coming in at such a time and in such a way as to sabotage our efforts here to maintain farm prices at a reasonable level. Millions of pounds of potatoes have been shipped in by Canada at the very same time the Government was buying up millions of pounds of domestic potatoes and destroying them to hold them off the market. Millions of pounds of dried eggs have been shipped in from China during the same period when the Government was purchasing eggs here for drying and storage. Millions of bushels of rye and other grains have been shipped here from Canada, although we have tremendous stocks of these grains in the warehouses bought or taken over by the Government to hold them off the market.

It seems that everyone realizes the absurdity of these contradictory policies except the State Department. Sometimes it almost seems that the State Department wants to sabotage our farm programs. At least it is evident that the State Department does not care very much if the domestic program is damaged by agricultural imports. That is the impression that is given by the record of past attempts to handle this problem.

As stated above, Mr. President, I feel strongly that the Magnuson-Morse amendment does not really go far enough, but it is certainly the minimum that we have a

right to insist on if we intend to protect our domestic support programs from interference by these agricultural imports. I very much hope that if this bill is sent back to conference the Senate conferees will be firm and will be able to persuade the managers on the part of the House that we must have this amendment in order to have any effective farm-support policy.

The VICE PRESIDENT. The time of the Senator from Louisiana has expired. All time for debate has expired.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Holland	Morse
Benton	Humphrey	Mundt
Bricker	Ives	Murray
Bridges	Jenner	Neely
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Kefauver	Robertson
Chapman	Kem	Russell
Connally	Kerr	Saltonstall
Cordon	Knowland	Schoeppel
Darby	Leahy	Smith, Maine
Donnell	Lehman	Smith, N. J.
Douglas	Lodge	Sparkman
Eaton	McCarran	Stennis
Ellender	McCarthy	Taft
Ferguson	McClellan	Thomas, Utah
Frear	McFarland	Tobey
Fulbright	McKellar	Tydings
Gillette	McMahon	Watkins
Green	Magnuson	Wherry
Gurney	Malone	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hill	Millikin	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the conference report.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. A vote of "yea" would be a vote in favor of the conference report, and a vote of "nay" would be a vote against the conference report?

The VICE PRESIDENT. That is correct.

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRD (when his name was called). On this vote I have a pair with the senior Senator from Illinois [Mr. LUCAS], who is absent by leave of the Senate because of a death in his family. Were the Senator from Illinois present he would vote "yea." Were I permitted to vote I would vote "nay." I withhold my vote.

Mr. O'MAHONEY (when Mr. HUNT's name was called). My colleague, the junior Senator from Wyoming [Mr. HUNT] is absent on official business. If present and voting he would vote "yea."

The roll call was concluded.

Mr. MCFARLAND. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND] and the Senators from North Carolina [Mr. GRAHAM and Mr. HOEY] are absent on public business.

The Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from West Virginia [Mr. KILGORE] is unavoidably detained on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Pennsylvania [Mr. MYERS] is absent because of illness in his family.

The Senator from Georgia [Mr. GEORGE] is paired on this vote with the Senator from Maine [Mr. BREWSTER]. If present and voting, the Senator from Georgia would vote "yea," and the Senator from Maine would vote "nay."

The Senator from North Carolina [Mr. HOEY] is paired on this vote with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from New Mexico would vote "nay."

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Iowa [Mr. HICKENLOOPER]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Iowa would vote "nay."

The Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from Idaho [Mr. TAYLOR]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Idaho would vote "nay."

I announce further that if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from West Virginia [Mr. KILGORE], and the Senator from Louisiana [Mr. LONG] would vote "yea."

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. VANDENBERG], are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from Idaho [Mr. DWORSHAK] is absent on official business.

The Senator from Minnesota [Mr. THYE] who is absent by the leave of the Senate is paired with the Senator from North Dakota [Mr. YOUNG] who is also absent by leave of the Senate. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from North Dakota would vote "nay."

The Senator from Maine [Mr. BREWSTER] who is necessarily absent is paired with the Senator from Georgia [Mr. GEORGE]. If present and voting the Senator from Maine would vote "nay," and the Senator from Georgia would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from



Pennsylvania [Mr. MYERS]. If present and voting the Senator from Iowa would vote "nay," and the Senator from Pennsylvania would vote "yea."

The yeas and nays resulted—yeas 35, nays 35, as follows:

## YEAS—35

Anderson	Humphrey	Murray
Benton	Johnson, Colo.	Neely
Chapman	Johnson, Tex.	O'Mahoney
Connally	Kefauver	Pepper
Douglas	Kerr	Robertson
Ellender	Leahy	Russell
Fulbright	Lehman	Sparkman
Gillette	McCarran	Stennis
Green	McClellan	Thomas, Utah
Hayden	McKellar	Tydings
Hill	McMahon	Withers
Holland	Maybank	

## NAYS—35

Bricker	Ives	Mundt
Bridges	Jenner	Saltonstall
Butler	Kem	Schoeppel
Cain	Knowland	Smith, Maine
Cordon	Lodge	Smith, N. J.
Darby	McCarthy	Taft
Donnell	McFarland	Tobey
Eaton	Magnuson	Watkins
Ferguson	Malone	Wherry
Frear	Martin	Wiley
Gurney	Millikin	Williams
Hendrickson	Morse	

## NOT VOTING—26

Alken	George	Lucas
Brewster	Graham	Myers
Byrd	Hickenlooper	O'Connor
Capehart	Hoey	Taylor
Chavez	Hunt	Thomas, Okla.
Downey	Johnston, S. C.	Thye
Dworshak	Kilgore	Vandenberg
Eastland	Langer	Young
Flanders	Long	

The VICE PRESIDENT. On this question the yeas are 35, the nays are 35. Under the Constitution the President of the Senate, having the right to vote in case of a tie, casts his vote in the affirmative. The conference report is agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. MILLS, Mr. CAMP, Mr. LYNCH, Mr. REED of New York, Mr. WOODRUFF, and Mr. JENKINS of Ohio were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6073) to amend section 501 (b) (6) of the Internal Revenue Code, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr.

MILLS, Mr. CAMP, Mr. LYNCH, Mr. REED of New York, Mr. WOODRUFF, and Mr. JENKINS of Ohio were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 27 to the bill, and concurred therein, and that the House had receded from its disagreement to the amendments of the Senate numbered 11, 12, and 24, to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 332) providing for the establishment of a Joint Senate and House Recording Facility; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. NORTON, Mr. STANLEY, and Mr. BISHOP were appointed managers on the part of the House at the conference.

The message further announced that the House having proceeded to reconsider the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated, it was—

*Resolved*, That the said bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2269. An act to provide for the enlistments of aliens in the Regular Army;

S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

H. R. 1606. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States;

H. R. 3783. An act authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas;

H. R. 5943. An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi; and

H. R. 6692. An act for the relief of Sgt. Blaine W. Hughes.

PROMOTION OF VETERANS OF WORLD WAR II IN FIELD SERVICE OF POST OFFICE DEPARTMENT—VETO MESSAGE (H. DOC. NO. 627)

The VICE PRESIDENT laid before the Senate a message from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

June 26, 1950.

The House of Representatives having proceeded to reconsider the bill (H. R. 87) entitled "An act relating to the promotion of veterans of World War II in the field service of the Post Office Department," returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was—

*Resolved*, That the said bill do pass, two-thirds of the House of Representatives agreeing to pass the same.

The VICE PRESIDENT laid before the Senate the message from the President of the United States, which was read by the legislative clerk.

(For President's message, see today's proceedings of the House of Representatives on p. 9327.)

The VICE PRESIDENT. Without objection, the message from the President and the bill will lie on the table, and the bill will be printed in the RECORD. The Chair hears no objection.

The bill is as follows:

*Be it enacted, etc.*, That classified postal employees or classified substitute postal employees who are in the postal service on the date of enactment of this act, or who shall enter such service after such date but prior to July 1, 1950, and subsequent to service in the military or naval forces of the United States during World War II, terminated under honorable conditions, who have not reached the maximum grade of salary shall receive credit for time served in the military or naval forces to the extent that they have not already received credit for such military or naval service in determining their salary grade. Such credit shall be on a pro rata basis for each year served in the military or naval forces. On the basis of such credit, each employee to whom this section applies shall be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment been to grade 1.

SEC. 2. Substitute postal employees who failed on promotion to regular because they were in the military or naval forces during World War II shall, for the purpose of determining their postal salary, be held to have been promoted to such regular position as of the date a vacancy, to which they as senior substitute could have been promoted, occurred.

SEC. 3. No person shall, by reason of the enactment of section 1 of this act, be entitled to any compensation for any period prior to the effective date of this act.

SEC. 4. For the purposes of this act, the term "World War II" means the period beginning September 16, 1940, and ending June 30, 1946, both dates inclusive.

## ESTABLISHMENT OF JOINT SENATE AND HOUSE RECORDING FACILITY

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the joint resolution (H. J. Res. 332) pro-



viding for the establishment of a joint Senate and House recording facility, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HAYDEN. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BENTON, Mr. GILLETTE, and Mr. MUNDT conferees on the part of the Senate.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 26, 1950, he presented to the President of the United States the following enrolled bills:

S. 2269. An act to provide for the enlistments of aliens in the Regular Army; and S. 3771. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

#### AMENDMENT OF MUTUAL DEFENSE ASSISTANCE ACT OF 1949

The Senate resumed the consideration of the bill (S. 3809) to amend the Mutual Defense Assistance Act of 1949.

Mr. McKELLAR obtained the floor.

Mr. McFARLAND. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. McFARLAND. Mr. President, it is now my purpose to ascertain whether there will be objection to a unanimous-consent agreement to vote upon the unfinished business, Senate bill 3809, next Wednesday at 4 o'clock. That is the bill to amend the Mutual Defense Assistance Act of 1949.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHERRY. I should like to state to the distinguished acting majority leader that in view of the statement made by several witnesses for the Administration before the Appropriations Committee this morning it seems to me it would be preferable to withhold the unanimous-consent request, if the Senator is going to offer one, until at least tomorrow. I shall be glad at that time to try to work out a unanimous-consent agreement. If the request were put over until tomorrow it would give us time to contact members on this side respecting their wishes in the matter. I believe tonight would be too early to make such a request. I shall be glad to cooperate and try to secure a unanimous-consent agreement later on, possibly tomorrow, when debate is continued on the measure.

Mr. McFARLAND. Mr. President, I appreciate the statement of the distinguished minority leader. I should like to suggest, however, that it is very important to obtain a unanimous-consent agreement to vote upon the measure, particularly in view of the conditions in the world today, and also in order that Senators may know how to govern them-

selves in line with the legislative program. During next week will be the Fourth of July. While it is not planned to have any particular vacation at that time, Senators will want to know what measures will be brought up and what measures will be voted upon. I respectfully suggest to the Senator from Nebraska that it is important to come to a unanimous-consent agreement to vote upon the measure on next Wednesday, if possible. If we cannot have an agreement to vote on Wednesday, let us have an agreement to vote on Thursday. But an agreement to vote on any later date would probably inconvenience many Senators.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHERRY. I should like to ask the distinguished acting majority leader, now that he has mentioned it, what the plans will be for the Fourth of July and the day prior thereto, which will be Monday? Is the acting majority leader in a position to state that there might be a recess for a period running from possibly Friday to Wednesday; or does the acting majority leader now announce that there will be a session of the Senate on Monday?

Mr. McFARLAND. I would prefer that the majority leader make an announcement as to that matter for himself when he returns. He is absent now because of illness in his family. I understand he has previously stated that there would be no recess except over the Fourth of July, and only for that day.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McFARLAND. I yield.

Mr. WHERRY. So it is now contemplated that there will be a session on Monday the 3d of July?

Mr. McFARLAND. Unless the majority leader announces to the contrary.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CONNALLY. Let me say to the Senator from Nebraska that I think it is well at the earliest date to fix the time to vote on the mutual-defense assistance measure. I believe it will be in the interest of those who want to debate it to know when it will be voted upon. If a date for voting is not fixed Senators will delay presenting their positions with respect to the bill. If today we fix the time for voting on the bill the Senators can guide themselves much better than if a definite time is not fixed. I hope the Senator will agree to a vote being had sometime tomorrow.

Mr. WHERRY. I shall be glad to try to work out a unanimous-consent agreement to vote on the military-assistance bill. I do not believe that tonight is the time to make that unanimous-consent request, but I will cooperate and will endeavor to find out what are the wishes of all Senators on this side. The suggestion for a unanimous-consent request comes at a very late hour today. I desire to contact several Senators on this side of the aisle, particularly one or two of them who are away. If the unanimous-consent re-

quest is presented tomorrow, I shall be very glad to try to work out a program satisfactory to the distinguished Senator from Texas.

Mr. CONNALLY. The only thing is that if we wait until tomorrow, and agree to vote tomorrow—

Mr. WHERRY. Oh, Mr. President, I am quite positive the distinguished Senator from Texas does not feel we should vote on the bill tomorrow. It has scarcely been debated.

Mr. CONNALLY. I meant Wednesday.

Mr. WHERRY. The distinguished acting majority leader has made the point that by Friday several Senators will want to leave, to make some speeches perhaps in advance of the Fourth of July, even though a recess is not taken over Monday, and that possibly it is best that we vote before those Senators leave. I agree with that suggestion. But in view of the importance of the measure and in view of the fact that statements have been made that recommendations might be coming forthwith from the President, I feel that tomorrow is the earliest time we should consider a unanimous-consent request for a vote.

Mr. CONNALLY. I feel sure that Senators on the other side of the aisle will agree that we ought to vote on the measure at the earliest possible date.

Mr. WHERRY. Yes.

Mr. CONNALLY. The bill was reported from the committee unanimously. I do not think much time will be occupied in discussing it. The longer the time for voting is put off, the longer Senators will wait and put off their presentations, and then at the last minute they will not be able to present their views.

Mr. WHERRY. Mr. President, I believe the distinguished Senator from Texas will agree with me that I am in favor of obtaining unanimous-consent agreements providing for votes as expeditiously as possible. The Senator knows he will have my cooperation in attempting to secure a unanimous-consent agreement to vote on the pending bill, but I feel that tonight is too early a time to make the request. I am not prepared now because I have not even contacted Members on this side of the aisle relative to their wishes. I certainly will do so, and if the unanimous-consent request is presented tomorrow we will be able to give the information the acting majority leader is now seeking.

The VICE PRESIDENT. No request has been submitted, and the Chair understands objection has been interposed. Therefore there is nothing before the Senate on the subject.

Mr. McKELLAR obtained the floor.

Mr. KILGORE. Mr. President, will the Senator yield for a moment so I may submit a request?

Mr. McKELLAR. I yield if it will take only a moment.

Mr. KILGORE. Mr. President, my request is that I be recorded as voting affirmatively on the last vote.

The VICE PRESIDENT. The request is out of order. The Senator cannot be recorded as voting after the result of the vote has been announced.



[PUBLIC LAW 579—81ST CONGRESS]

[CHAPTER 381—2D SESSION]

[H. R. 6567]

AN ACT

To increase the borrowing power of Commodity Credit Corporation.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "\$4,750,000,000" and inserting in lieu thereof "\$6,750,000,000".

SEC. 2. Section 4 (i) of the Commodity Credit Corporation Charter Act (62 Stat. 1070) is amended by striking out "\$4,750,000,000" and inserting in lieu thereof "\$6,750,000,000".

SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:

"SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the President shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to







which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 per centum of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the President: *And provided further*, That in designating any article or articles, the President may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

“(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law Numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

“(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever he finds and proclaims that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever he finds and proclaims that changed circumstances require such modification to carry out the purposes of this section.

“(e) Any decision of the President as to facts under this section shall be final.

“(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for **any** article than that prescribed by the general agreement on tariffs, **and** trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection.”

Approved June 28, 1950.



